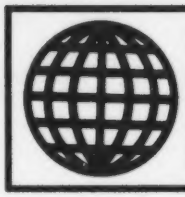

Daily Report

Latin America

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FBIS-LAT-89-152 *9 August 1989*

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Cuba

Havana Notes 'Secret' Space Shuttle Mission

FL0808203389 Havana Radio Reloj Network in Spanish 1944 GMT 8 Aug 89

[Text] Today, NASA's space shuttle Columbia began a secret mission with five military officers on board. These men will place a spy satellite into orbit. Even though there has been much secrecy on this matter, sources close to NASA have said that the astronauts will deploy a 10-ton satellite that will gather data from an extensive part of the planet, including the USSR, PRC, and the Orient.

This satellite is also designed to photograph troop movements, military installations, and other objectives. In the satellite's hold, there are research instruments for the detection of alleged nuclear missile sites.

Space shuttle Columbia, according to official sources, is already in orbit and is moving at a speed exceeding 28,000 km per hour.

Gorbachev Sends Condolences on Train Accident

FL0808233689 Havana Radio Rebelde Network in Spanish 2300 GMT 8 Aug 89

[From the "Exclusivo" program]

[Text] The president of the USSR's Supreme Soviet, Comrade Mikhail Gorbachev, has sent Cuban leader Fidel Castro a condolence message in which he states his sincere sympathy for the railroad accident that occurred in Matanzas Province and cost many human lives.

The telegram states: We grieve with you over this terrible accident. Gorbachev also sent his profound condolences to the families of those who were killed and injured in the accident.

Bolivia's Paz Zamora Sends Greetings

FL0808133298 Havana Tele-Rebelde Network in Spanish 1100 GMT 8 Aug 89

[Text] The new Bolivian president, Jaime Paz Zamora, has sent a greeting to the Cuban people and to Commander in Chief Fidel Castro during an exclusive interview granted to GRANMA and to PRENSA LATINA news agency.

The leader emphasized that the two nations have in common a spirit of progress, justice, and Latin American unity.

In his first act as head of state, Paz Zamora asked that the Bolivian military actively participate in the development of the country. After demanding its loyalty, the leader said that the armed forces must be the backbone of national construction projects.

Paz Zamora began on Sunday a 4-year mandate in a country that has been the scene of several coups d'etat. The president of Bolivia has the goal of maintaining economic stability and consolidating the democratic process. He has also placed among his priorities the fight against drug trafficking and political and administrative corruption.

UN Officer 'Satisfied' With Troop Withdrawal

FL0808145698 Havana Radio Progreso Network in Spanish 2230 GMT 7 Aug 89

[Text] General (Pericles Ferreira Gomez), chief of a UN verification mission, has said he is satisfied with the meticulous fulfillment of the withdrawal of Cuban internationalist troops carried out by Angola and Cuba. The high-level officer said he had confirmed the withdrawal of Cuban troops that had settled in the southern region toward parallel 15 as part of the withdrawal timetable.

Commentary Criticizes Missing Goods Problem

FL0808181589 Havana Radio Progreso Network in Spanish 2230 GMT 8 Aug 89

[Cristobal Sosa commentary]

[Text] Missing goods [faltantes]. What is behind these words, comrades? Nothing less than robbery or, in the best of cases, inefficiency. The two are subject to sanctions under the current law.

The duty of a person who is responsible for any type of commercial activity is to make sure proper supply is maintained. Somebody suffers if supply is not maintained. If goods are missing, the state is being robbed, and if there are more goods than there are supposed to, we are being robbed.

A person who is not capable of managing a commercial establishment should change jobs, or those who supervise them should replace them because supervisors are also liable for keeping an incompetent person in a certain job.

The lack of knowledge is not an excuse for doing bad work. The days when someone with a very low education level had to assume a responsibility he was not prepared to assume are far behind. The successes of education in the country contradict those arguments, if someone wants to use it instead of using justifiable reasons.

Have you ever thought about what it means for units that have no missing goods to be given awards? Is it that we should be given this kind of incentive for fulfilling the most basic social duty and one for which we are paid? To admit that there are very few units with no missing goods leaves commerce workers in a sorry state. To give a pennant to a person who does nothing more than look after the goods the state assigns him to care for and sell would be the same thing as giving each one of us an

award for not ever committing a crime, for not having a criminal record, in sum, for being what we should be, law-abiding citizens, which is an ineludible duty and not a great virtue.

We should not talk about missing goods but about the criminal who intends to live better than others at their expense or about the incompetent person who harms everyone, be it the state or the consumer.

Suspected Thieves Arrested; Goods Seized
FL0808191789 Havana Radio Progreso Network in Spanish 2230 GMT 7 Aug 89

[Police report]

[Text] Citizens Francisco Garcia Infante, unemployed and without a given address, and Rolando Perez de Aguilera, resident of 1205 Jose Marti Street, Reparto Diesmero, San Miguel del Padron Municipality, have been captured by police forces of the 11th municipal unit of the PNR [National Revolutionary Police] after they were accused of being the authors of a robbery with violence against a citizen who was walking down the street at the Reparto Diesmero, San Miguel del Padron Municipality.

The appropriate investigations began after they were taken to the aforementioned police station. The investigation showed that the individuals perpetrated several breaking and entering burglaries in various homes and family doctor offices located in this area. They mainly took water pumps from these places.

Most of the stolen equipment was sold to citizens Aramis Quintana Hernandez, resident of 24906 86th Street, Reparto Cumbre, and Eladio Rafael Rodriguez Rojas, resident of 22 23st Street, Reparto San Matias, both places located in Havana's San Miguel del Padron. They resold the equipment at a profit. When the homes of the two accomplices who received the merchandise were searched, several water pumps, a large number of rolls of film, several meters of fabric, a video cassette recorder, and other goods were seized. All these goods are presumably stolen.

The accused men confessed their respective crimes and will remain in prison until the investigation is completed and they are turned over to the tribunal, which will apply the corresponding legal sanction according to each of their criminal actions.

Barbados

Sandiford Denies National Economy in Trouble
FL0708183389 Bridgetown CANA in English 2228 GMT 5 Aug 89

[Text] Bridgetown, Barbados, August 5, CANA—Barbados Prime Minister Erskine Sandiford on Saturday rejected claims that the economy is in trouble, but admitted that the foreign reserves were under pressure. Reacting to charges from his political opponents, Sandiford said the government's Economic Development Programme was well on stream.

A building boom which started in 1987 was continuing and the government was pushing ahead with an urban low income housing project costing 12.2 million dollars (one BDS dollar = 50 U.S. cents) and a 32.8 million dollar housing programme with Venezuela. The project Venezuela is backing will provide nearly 500 two - and three-bedroom houses. The other will in the first year provide 473 serviced lots with and without housing units.

Sandiford also reported progress on a major road rehabilitation programme and plans for a 60 million dollar Tenantry Road improvement project to start before year-end.

A statement released by the Government Information Service [GIS] quoted the prime minister as saying that foreign reserves were under pressure, but never in a state of crisis.

"He blamed this pressure on a reduction in receipts from the export of sugar as a result of a fall in production, an increase in imports to sustain the current boom which the construction industry is experiencing, and an increase in imports for use in the constantly improving manufacturing and tourism sectors," GIS said.

Grenada

PRC Statement Asks Blaize To Correct 'Mistake'
FL0808115598 Bonaire Trans World Radio in English 1130 GMT 8 Aug 89

[Text] China has severed ties with Grenada because the Grenadian Government established diplomatic relations with Taiwan last month. A Chinese Foreign Ministry statement says Grenada's move violates an agreement signed with Beijing 4 years ago. The statement says China values its relationship with the Grenadian people, and asks the government of Prime Minister Herbert Blaize to correct what it calls its mistake.

Haiti

U.S. Government Plans To Resume Economic Aid
FL0808172289 Port-au-Prince Radio Nationale in Creole 1300 GMT 7 Aug 89

[Text] The U.S. Government is planning to resume its economic aid to Haiti. We have learned that the U.S. Congress is authorized to resume—because of the progress that General Avril has made in connection with democratic elections in Haiti and the formation of an elected government, and also because of the way (?he)

has helped the United States struggle against drug trafficking—thus, the U.S. Congress has decided to resume its economic aid to Haiti. [sentence as heard]

We remind listeners that the U.S. Government is asking for $41 million in aid to Haiti for fiscal year 1990. It has already asked the Congress to vote on this money for Haiti. The Congress has not yet reached a decision on this request, but in any case, these men intend to resume economic aid to Haiti very soon, according to information we have for you from Washington, the capital of the United States.

MDN, MIDH Ready for Elections To Be Held

FL0808153889 Port-au-Prince Radio Metropole in French 1045 GMT 7 Aug 89

[Excerpts] [Passage omitted] We are ready to participate in the coming elections, Hubert de Ronceray's MDN [Mobilization for National Development] and Marc Bazin's MIDH [Movement for the Establishment of Democracy in Haiti] have said respectively in Port-au-Prince and Saint-Marc.

The MDN just held its first triennial congress in Port-au-Prince. The congress ended Saturday. Hubert de Ronceray was reelected head of the party for another 3 years. [passage omitted]

[Begin De Ronceray recording] The MDN is still ready for elections before the end of the year, because we, the MDN and the congress, think that the country is tired and that the electoral process being demanded since 7 February 1986 is dragging on and on. It is being dragged out because there is refusal on the part of the authorities. There is bad faith on their part. The measures that should be taken are not taken.

The congress feels these maneuvers must be denounced, that disapproval of the slowness of the process must be expressed. The country must (?resume making) its basic demands, the demands of the spirit of 7 February 1986. [end recording] [passage omitted]

Mr de Ronceray says there are today, officially, 258,281 MDN members, which is an increase of 84 percent by comparison with 1988. [passage omitted]

[Begin De Ronceray recording] [Passage omitted] As you have learned, and as I have also said in my speech reporting to the congress, not only is the number of registered members increasing, but requests for registration are also continously increasing. We have at present close to 590,000 requests to be registered as a party member, and we are not able, materially, to absorb all these requests quickly. [passage omitted] [end recording]

Hubert de Ronceray says this first triennial congress was a real success. [passage omitted]

Also, Marc L. Bazin's MIDH is preparing to hold its second national congress next October. Yesterday the MIDH staff and their boss Marc L. Bazin were in Saint-Marc to inaugurate a new party headquarters and to install the members of the party's consultative council for the lower Artibonite Valley.

After the inauguration of the party headquarters, Bazin met with Saint-Marc's MIDH members at the Corsaire Club, where they gave him an account of the (?deteriorating) economic and social situation of the area.

Speaking to his partisans Bazin once again stressed the importance of holding elections right away, as the only possible response to the crisis.

Regarding security for the elections, Bazin feels security cannot be decreed; rather, it must be negotiated. In order to do this, Bazin calls for a great mobilization and for unity on the matter of elections.

[Begin Bazin recording in Creole, in progress] ...as long as the people don't participate in the elections....[changes thought] Everyone who has been in power, all the way back since the CNG [National Government Council], all those who think they can solve the crisis without the Haitian people's speaking out, are wasting their time. They are wrong.

We of the MIDH are going to these elections. When you look at the town of Saint-Marc and the lower Artibonite Valley, we are proud to say we are ready.[passage omitted]

We are ready. In fact, we are so ready that we are willing to form alliances with other political parties and groups that have the same concepts of happiness, pride, and Haitian independence as ourselves. [applause] We are already holding talks with several groups that back on 17 January [1988] stood up and said they were not going to participate in any rigged elections. With these groups we are ready to talk, to see if we can (?together consitute) a majority. Our aim is, first, to win the elections, (?on the basis of) mutual agreements to desist—in other words, when they (?are strong somewhere), we may say, ok, you go ahead; and where we are strong, we may tell them to hold off—so that (?together) we may be able to offer the nation a choice based on a platform, a program. [sentence as heard] In this way, the Haitian people will know that we have at last left behind the era of making policy secretly, that we have stopped discussing policy secretly, and have stopped making policy in smoke-filled rooms. In this way, they will know that we are beginning to make policy openly, because democracy depends on open policymaking, and democracy is the condition necessary for change and progress.

With whom will we form alliances? We think that today, the problem in Haiti is not one of left versus right. We think that the real dividing line in Haiti today is between political parties that are responsible and those that are

not. A responsible political party is one that says: This is the way the country is. This is what happened on 7 February 1986. This is what happened on 17 September. These are the realities. Let's try to, on the basis of these realities, change the country. [end recording]

The MIDH president is very optimistic about the coming elections. According to Bazin, it is high time to put into power a team of responsible men and women to guide the change the population is dreaming of. The MIDH constitutes the alternative, Bazin says.

Bazin visited the Dominican Republic last week, where he met with political figures, among them President Joaquin Balaguer and Pena Gomez, the leader of the PRD [Dominican Revolutionary Party]. These talks were on the living conditions of Haitians in the Dominican Republic, the future of cooperation between the two countries, and the nature of the democratic transition.

Bazin also discussed future economic relations between Haiti and the Dominican Republic, especially if both countries are accepted to the Lome Convention. Bazin said the discussions were positive and important. Bazin feels that a political leader should be familiar with all (?spheres of activity) before envisioning the future. [passage omitted]

Dejoie Issues Statement on Elections
FL0808134598 Port-au-Prince Radio Metropole in French 1045 GMT 4 Aug 89

[Text] The de facto military government that has been ruling Haiti for 10 months has not yet said how long it is planning to stay in power. This observation is contained in a statement by Louis Dejoie's National Agricultural and Industrial Party, PAIN.

According to the PAIN, the Electoral Council established in Haiti 4 months ago has begun a period of consultations of unlimited duration and does not appear to be in the least bit of a hurry to establish an election calendar.

The PAIN reproaches the provisional government for wanting to make Haiti assume contractual obligations vis-a-vis its citizens—an agrarian reform—and vis-a-vis foreigners—a free zone on Plantation Dauphin under the control of a foreign company. Therefore, the PAIN declares that it does not acknowledge such obligations unless such decisions are ratified by (?the) national assembly.

Democratic Bloc Discusses Current Situation
FL0808143698 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 7 Aug 89

[Excerpts] On Friday 4 August, the Democratic Bloc, which is made up of certain political parties as well as union and popular organizations, met behind closed doors at the Oloffson Hotel—that is, they did not invite nonmembers of the bloc. They met to discuss certain current troublesome matters in Haiti, such as the equivocal policy of Prosper Avril's unexpected government; the insecurity, the killings going on here and there all over the country; and the contracts the government is signing here and there without respect for the Constitution, the nation's territorial integrity, or national sovereignty.

In the resolution made public after the meeting, the Democratic Bloc said that General Avril's government is just like the Duvalier government and that true democrats in Haiti must get together to set up a government of social justice and national reconciliation capable of managing the transition to democracy.

At the meeting were: Rockefeller Guerre for the UPD [Union of Democratic Patriots], (Franck) Senat for the PLH [Haitian Liberation Party, (N. Posman) for PRH [expansion unknown], (Lones Joseph) for FNP [National People's Front], and Sylvan Jolibois for PNFFD [expansion unknown].

Two founding members of the Democratic Bloc were not present: the PDCH [Haitian Christian Democratic Party] and its representative Sylvio Claude, and the PAIN [National Agricultural and Industrial Party] and its representative Louis Dejoie II. [passage omitted]

[Begin Rockefeller Guerre recording] I don't think we can attribute these parties' absence to a split in the Bloc or to these parties' intention to leave the Bloc. [passage omitted] We would like to think it is due to the fact that they received our invitation too late. [passage omitted] We think they will come to future meetings, unless there is some other reason why they weren't here this time. [passage omitted] I didn't contact the PAIN, because I don't think its leader is here, but I did contact the PDCH, and those are the reasons they too gave me.

As for the second question, the question on the resolution the bloc issued, I think the resolution comprises all the demands and all the things we are hearing from the Haitian people and all the other sectors that want to see change in Haiti: that there has been no real, and in fact not even any apparent, change in the political structure since 7 February 1986. The same old thing is still going on. In fact, now things are even worse. There is insecurity that reminds one of the first few years of the establishment of the Duvalier dictatorship. We see that this is being repeated. They are going around breaking into people's houses and killing them, etc. Thus, we see that nothing has changed. [passage omitted]

Second, we ask that all democratic sectors in Haiti get together, because one of the bloc's capital points is unity. We need to unite the opposition, because there are too many leaders working alone. We would like to gather all the leaders who feel that this government cannot effect

the transition to democracy because it does not want to allow the nation to take the path of democracy, so we can see how we might be able to guarantee the transition to democracy. [end recording]

Many people are wondering why the PAIN and PDCH did not participate in the Bloc's meeting, especially since these two parties founded the Bloc along with the UPD. Also, other Bloc members made wee accusations against the PDCH and the PAIN.

(?People) are awaiting the meeting scheduled for Tuesday 8 August to see what the bloc's real situation is.

Section Chief Accused of Human Rights Violations
FL0808140898 Port-au-Prince Radio Metropole in French 1045 GMT 4 Aug 89

[Excerpts] [Passage omitted] In Raymond, (?communal section of) Jean-Rabel, section chief (Anovil Saint-Vil), with the help of a few soldiers, Wednesday [2 August] illegally arrested two peasant members of the cooperation group movement. Peasants were also mistreated during this operation. Accused of being communists, the other members of the cooperative action movement, which has the aim of establishing a movement of small peasant farmers, are currently in the maquis. There has been a veritable exodus from the area.

One of these peasants tells us about the actions of Raymond section chief (Anovil Saint-Vil), who no longer seems to be respecting civil rights.

[Begin unidentified speaker recording, in Creole] They arrested a certain (Celifet Dumesle), who is a member of (?Solidarity With a View to a Movement of Small Haitian Peasant Farmers). They also arrested (Inalia Anelion) in the area. They beat (Inalia) a lot, to the point where he was bleeding (?through) the mouth.

All this happened because of some T-shirts that were distributed to the peasants (?on) 23 July, to commemorate the 2d anniversary of the massacre of the small peasant farmers who were killed.... [changes thought] I mean, after all, they were people, not dogs. Thus, we should remember these peasants who fell during a struggle. [passage omitted]

Anyway, it seems their [not further identified] feathers got ruffled because of these T-shirts they saw the small peasant farmers wearing. That's why they entered [the section] and went around ripping the T-shirts and beating the peasants for no reason at all. [end recording]

This section chief had already given a preview last 24 July, by (?calling in) some peasants who were participating in a day of reflection upon the 2d anniversary of the Jean-Rabel massacre.

Today in Raymond, where more than 10,000 people live, there is distress and fear. The inhabitants of this village think this climate of repression is part of a campaign aimed at destabilizing the peasant movement. They are calling for the release of the peasants arrested Wednesday and asking the president, General Prosper Avril, to make people in Haiti respect human rights.

[Begin unidentified speaker recording, in Creole] [Passage omitted] We think these guys are not acting of their own accord, but are instead empowered to act by their hierarchical superiors. So we are asking that these small peasant farmers, who were arrested for no reason at all and who are being tortured in jail, be released immediately. We hear human rights being touted all the time in Haiti. We don't want them to just talk about things. There must also be concrete action. And these people must be released, because I just can't see any reason at all for their having being arrested.

So that's what we're asking: the immediate release of these people, who were arrested without charges. The only thing they have been accused of is of being communists.

So now we are in hiding and cannot go home! [end recording] [passage omitted]

Resurgence of Crime Linked to Drug Use
FL0808170889 Port-au-Prince Radio Metropole in French 1045 GMT 7 Aug 89

[Excerpts] (Frantz Cherulus), an Electricite d'Haiti [EDH], the national electric company] technician who works in Varreux was murdered Saturday night, becoming one more victim of the wave of violence that every week washes over either the capital or one of our provincial towns. Here is Smoy Noisie's report on this matter.

[Noisie] [Passage omitted] As listeners will remember, there were four victims last week: two in Cite Soleil and two in Carrefour. The criminals are still loose in the streets.

This weekend—more precisely, last Saturday—there was a new victim: Frantz (Cherulus), an EDH technician who lives on the road to Croix des Bouquets, was shot at point-blank range six times and killed by a group of criminals who intercepted him on his way home.

(Cherulus), who was 30 years old, was apprehended by the aggressors, tied up, and then beaten before being murdered. His wife was also wounded and has been hospitalized. A child who works in the house was also wounded by these thieves, who carted away several things.

According to witnesses, the incident took place Saturday evening during a power failure, at approximately 2030. There were thorough searches effected on National Highway No. 1 Saturday night after the incident. All vehicles circulating in the area were searched. [passage omitted]

There is such a resurgence of criminal acts that many private citizens have had to call on private security companies to protect their lives and property. The head of a security company interviewed by a colleague from LE MATIN last month, in an attempt to explain the new resurgence of nocturnal banditry, spoke of the many Haitians (?of all kinds) returning from abroad after 1986 and of the many Dominicans of all kinds who live in Haiti—among them drug addicts who will do anything to keep themselves supplied with the white powder. There are also people who have adopted that which is is bad in the foreign civilization: gangsterism. [passage omitted]

Jamaica

Nigerian Official Runs for Commonwealth Top Post

FL0408160189 Bridgetown CANA in English
1446 GMT 4 Aug 89

[Text] Kingston, Jamaica, Aug 4, CANA—Jamaican Prime Minister Michael Manley has agreed to support the candidacy of Chief Emeka Onyoku of Nigeria to the post of secretary general of the Commonwealth, according to Nigerian chief of staff, Vice-Admiral Augustus Aikhomu. Aikhomu made the disclosure during a press conference on Thursday at the end of a four-day official visit to the island.

On Tuesday night at a dinner held in his honour, Aikhomu said that Nigeria was seeking Jamaica's support for its candidate to the top post in the Commonwealth Secretariat. The post is now held by Shridath Ramphal of Guyana, who is not seeking re-election.

Aikhomu also announced that both governments had signed an educational and cultural co-operation agreement earlier in the morning. The vice-admiral who described his visit as "rewarding," held bi-lateral discussions with Prime Minister Manley on economic and trade issues, apartheid in South Africa, and the growing Third World debt.

Giving an update on the political developments in his country, Aikhomu said that the Nigerian Government was putting into place the basis for the return to democratic rule in that country which should be achieved by 1992. Nigeria has been under military rule since August 1985.

Aikhomu said that the registration of a two political party system should take place by September and local government elections should be held by December. The structural adjustment programme which Nigeria introduced some three years ago had begun to yield results, he said, and renewed confidence was being shown in Nigeria by the international community.

Nigeria's external debt now stands at 30 billion U.S. dollars, Aikhomu said.

Mission To Open in Nigeria; Envoy Named

FL0408141689 Bridgetown CANA in English
1317 GMT 4 Aug 89

[Text] Kingston, Jamaica, Aug 4, CANA—Jamaica is to open a permanent mission in the Federal Republic of Nigeria, Prime Minister Michael Manley has announced. He named attorney-at-law Dudley Thompson as the first ambassador-designate to the African state.

Nigeria and Jamaica established diplomatic relations in 1974 and since that time, Nigeria has operated a permanent mission here. Nigeria also has an embassy in the twin-island republic of Trinidad and Tobago.

The announcement was welcomed by Vice-Admiral Augustus Aikhomu, chief of general staff of the Nigerian Government, who was on a four-day official visit to the island. He said the move was "long overdue."

Aikhomu, who left the island on Thursday for Lagos, held bilateral discussions with Prime Minister Manley on economic and social issues, apartheid in South Africa, and the debt problem facing Third World countries. While here, Aikhomu, met with the governor general, Sir Florizel Glasspole, government officials and members of the opposition Jamaica Labour Party. He also visited a number of places including an alumina plant in central Jamaica and the northcoast resort city of Montego Bay.

National Currency Continues To Decline

FL0408221889 Bridgetown CANA in English
1900 GMT 4 Aug 89

[Text] Kingston, Jamaica, August 4, CANA—The Jamaican dollar continued to slide against the American at Thursday's foreign exchange auction, losing three cents. It traded at Jamaica 5.58 dollars to one U.S. dollar.

This is the lowest level that the dollar has traded in over three years, after the Jamaican dollar fell to 6.40 dollars to one U.S. dollar.

A reduction in the supply of foreign exchange in the auction system as well as an increased demand are being blamed for the recent slump. Only 6.5 million U.S. dollars were available in Thursday's auction with 35.40 percent of qualified bids being satisfied.

In the wake of the continuing decline of the Jamaican dollar, acting governor of the Bank of Jamaica in a radio interview denied that a devaluation was imminent. He said that as far as he knew, the International Monetary Fund, which recently approved a new economic package for Jamaica, had not called for a devaluation of the Jamaican dollar.

At Thursday's auction, total demand was 20.22 million U.S. dollars while total qualified bids stood at U.S. 18.36 million dollars.

Trinidad and Tobago

Cooperation Agreement Signed With Venezuela

FL0508124489 Bridgetown CANA in English 2255 GMT 4 Aug 89

[By Debra Ransome]

[Text] Port-of-Spain, Trinidad, Aug 4, CANA—Trinidad and Tobago and Venezuela on Friday ended two days of bilateral talks by signing a series of agreements for co-operation in aviation, oil spill contingencies, special trade arrangements, and the sharing of marine resources.

Venezuela also announced the establishment on Friday of a line of credit allocating U.S. 4 million dollars to Trinidad's public and private sectors. Speaking at the signing were visiting Venezuelan President Carlos Andres Perez and Trinidad and Tobago Prime Minister A.N.R. Robinson.

The countries signed a delimination arrangement on the sharing of marine resources in the ten kilometre stretch of water until a full fishing agreement is concluded.

The partial agreement allows certain specified products to be traded between the two countries at preferfential rates.

The oil spill agreement sets out procedures for co-operation in the event of a spill of crude oil or oil-based liquids in either of the countries national waters.

The memorandum of understanding on aviation will allow increased co-operation between Trinidad's BWIA [British West Indies Airlines] and Venezuela's Aeropostal which is expelcted to increase tourist traffic between the two countries.

Robinson described Perez's two-day visit to Trinidad as proving "very popular" with the people of the twin island republic.

"I am sure that the conclusin of these agreements today will signify the beginning of a new era in the relationship, not only between Trinidad and Tobago and Venezuela but also between the Caribbean region and Latin America," Robinson said.

Perez, who flies to Tobago on Saturday for weekend talks with Robinson and four other leaders of Caribbean Community [Caricom] countries, promised further co-operation in petroleum and health.

He said a team would visit Trinidad's billion dollar Mount Hope Medical Complex in the next two weeks to offer sought-after assistance to man the state-of-the-art health facility.

Following a Friday afternoon visit to state oil company, Trintoc, Perez said a "wide range of possibilities for co-operation" existed.

"We are the witnesses of an historic act...that is going to seal the pact between our two countries," Perez said.

In a final communique issued on Friday evening, the two leaders called for peace in Central America, sovereignty in resolving Panama's problems, condemned deteriorating international terms of trade, and committed themselves to reduce the problem of foreign debt.

Stressing the importance of regional groupings, the two countries stated the need for Venezuela to establish more direct ties with Caricom through its application for observer status.

The two leaders expressed concern for the international drug trade backing calls for joint efforts to combat the illicit business.

Venezuela was scheduled to host a reception for officials of the Trinidad and Tobago Government on Friday night.

Perez will hold talks in Tobago with Robinson, President Desmond Hoyte of Guyana and Prime Ministers Michael Manley of Jamaica, Erskine Sandiford of Barbados and James Mitchell of St. Vincent and the Grenadines.

Visiting Perez on Economy

FL0408164789 Bridgetown CANA in English 1541 GMT 4 Aug 89

[Text] Port-of-Spain, Trinidad, Aug 4, CANA—Venezuelan President Carlos Andres Perez on Thursday [3 August] night called for economic integration of the Latin American and Caribbean region. Speaking at a state banquet in his honour, hosted by Trinidad and Tobago's Acting President Michael Williams, Perez pointed to the separate struggles for independence by the countries of Latin America and the Caribbean, "now we understand that in unity and in concerted action lies our future," he said.

The Venezuelan leader called for such unity to be achieved slowly. He cited the growth of the 13-nation English-speaking Caribbean Community [Caricom] grouping and the Andean Pact Latin American member countries.

"We must continue these great efforts of ours so as to achieve our great historical destiny—that of Latin American integration," Perez said.

He said that on Saturday [5 August], in his meeting with five Caricom leaders in Tobago, he would have the chance to talk about "the life and the destiny of our peoples."

The Venezuelan head of state cited moves by the European Community having been involved in two World Wars to become a single entity.

"We will achieve this sooner or later. We will achieve it through the centuries to come, through thousands of years to come...," Perez said.

The Venezuelan leader was presented with Trinidad and Tobago's highest honour, the Trinity Cross.

"As we stand together on the threshold of the 21st Century, it is my wish that the mere ten kilometres between the Republic of Venezuela and the Republic of Trinidad and Tobago...will be a bridge to unite and no longer a wall to divide." Williams said in address following the banquet.

Williams hosted the banquet for Perez at President's House, Port of Spain. It was attended by members of Cabinet, of the House of Representatives and the Senate.

Later, in the evening, the House was opened to guests from the business community, diplomatic circles, the media, and a number of local personalities.

Leaders Issue Communique

FL0708145089 Bridgetown CANA in English 1951 GMT 5 Aug 89

[All quotation marks as received]

[Text] Port-of-Spain, Trinidad, Aug 5, CANA—Venezuela's President Carlos Andres Perez and Trinidad and Tobago Prime Minister A.N.R. Robinson have had wide-ranging talks. Illegal drugs, culture, economic recovery, and the situation in Central America were among the topics discussed.

To follow are excerpts from the final communique issued Friday night by the two leaders.

Central America:

"With regard to the situation in Central America, they deplored the slow pace of the negotiations set in train by Esquipulas II, emphasising the need for the people of Central America to search for their own solutions. They declared their conviction that the problems which besiege the region stem not only or always from the lack of internal resources but from grave injustices inheret in the world economic order."

Panama:

"Both leaders voiced concern at the current delicate situation in Panama and re-affirmed their view that it is the people themselves who, in exercise of their sovereign right, must resolve their country's problems without foreign intervention.

"The leaders repeated their unqualified support for the promotion of democracy in Panama and their endorsement of the declaration recently adopted by the meeting of the consultative organ of the ministers of external relations of the OAS (Organisation of American States).

"They also expressed their satisfaction over the commencement of negotiations between Panama's political forces aimed at achieving a national agreement that would ensure the early and democratic transfer of power.

"They restated the need, by way of guaranteeing the sovereign rights of Panama over the canal, for faithful compliance with the commitments made in the Torrijos-Carter Treaties.

"Prime Minister Robinson and President Perez again pledged the total support of their governments for the OAS as an instrument for ensuring and maintaining peace, dialogue, and solidarity among the nations of the American continent."

World economy:

"In discussing the world situation, the two leaders identified the grave international economic crisis as a major cause of the problems afflicting the countries of Latin America and the Caribbean.

"They agreed that, in order to avoid social tensions, structural adjustment measures necessary for the economic recovery of each country should be in place following broad national consensus. They stressed that the developed countries had an inescapable responsibility to share the burden of adjustment of the world economy.

"In this context, the two leaders identified as crippling burdens upon developing countries the continuing deterioration of the terms of trade, the policies of subsidisation of industrialised countries, and the virtual inaccessibility to the markets of said nations because of protectionist measures imposed by them.

"They affirmed that the problem of the external action based developing countries requires effective international action based on the principle of shared responsibility between debtor and creditor countries, private banks and international financial organisations leading to a substantial reduction of the debt and a just solution for all parties concerned."

Caricom:

"They likewise re-affirmed the importance their governments attach to the Latin American Economic System (SELA), the Caribbean Community and Common Market (Caricom), and the Caribbean Development Bank (CDB), and to other initiatives for joint action and cooperation supported by the countries of Latin America and the Caribbean. In this respect, the leaders discussed the question of Venezuela's request for observer status in Caricom in the context of Venezuela's interest in establishing more direct ties of cooperation with Caricom.

Culture:

"The leaders agreed to review the terms of the existing cultural agreement between their two countries so as to make it an instrument more in keeping with present-day realities and which would both widen and deepen their excellent relations in the cultural field."

Drugs:

"On the subject of illicit trafficking in and abuse of drugs, the two leaders stressed the grave socio-economic consequences caused by this phenonmenom. They emphasised the distortions generated in the economies of the countries of the region by the financial flows of this illegal trade.

"By way of joint effort against the scourge of drugs, they agreed to convene, as quickly as possible, the mixed commission provided for in the agreement on the prevention, control, and suppression of the illicit trafficking and use of narcotic drugs and psychotrophic substances.

"Moreover, the Prime Minister of Trinidad and Tobago briefed the President of Venezuela on the proposals which he presented to the United Nations for the establishment of an international criminal court "to deal with the international criminal responsibility of individuals and entities engaged in the illegal trafficking in drugs across national frontiers and other international criminal activities."

Union Objects To Training Soldiers as Linesmen

FL0408142389 Bridgetown CANA in English 1331 GMT 4 Aug 89

[Text] Port-of-Spain, Trinidad, Aug 4, CANA—The powerful Oilfields Workers Trade Unión (OWTU) has called the Trinidad and Tobago Electricity Commission's [TTEC] practice of using company workers to train soldiers as linesmen "dangerous, mysterious, and unexplained." The union, in a letter to TTEC General Manager Leo Martin, said that it strongly protested the use of some of its membership in the training of regiment personnel. And union representative Alva Allen told CANA that one of its concerns was that the soldiers were being trained to take over workers positions in the same way that they were asked to drive buses during a strike earlier this year.

"I am sure that you will agree that this dangerous, mysterious, and unexplained practice is no part of our collective agreement," the union letter said.

Allen contended that under labour laws the company was obligated to first informm the union and invite it for discussions in such a case, but TTEC public relations officer, Roy Mitchell, disagreed.

Mitchell said that it was common practice to train a variety of people, including soldiers, at the company, and pointed out that the regiment had their own wiring system which had to be taken care of internally by its members and it was for this reason the soldiers were being trained.

TTEC and its workers representative, the OWTU, have been at loggerheads over a number of issues, the most recent being the 29 percent increase in rates that the company is seeking from the public utilities commission. The OWTU, whose executive members are part of a political grouping of unionists known as the Committee for Labour Solidarity (CLS), has been involved in the group's decision to canvass public support in denying the company the increase.

Solana Discusses Meeting With U.S. Officials

PA0808152689 Mexico City Red Nacional 13 Imevision Television in Spanish 1330 GMT 8 Aug 89

[Interview with Foreign Secretary Fernando Solana by Pilar Alvarez Lasso in Mexico City on 7 August—recorded]

[Text] [Alvarez] [Words indistinct] how important was this seventh binational U.S.-Mexican meeting?
[Solana] I believe this was a particularly important meeting. It was an unprecedented meeting because of the number of issues included in the agenda and because such high-level officials made up the two delegations. We discussed 11 issues.

The goal of these binational meetings is to try to look into the variety of matters included in a complex relationship such as Mexico's with the United States. These binational meetings mean that such issues can be discussed all at once.

Obviously, two very different and yet geographically close countries have many ways to communicate, and issues are frequently discussed through various channels. The binational meeting, however, has a specific goal. That goal is holding parallel discussions about various topics and issues within a single framework, which allows us to [words indistinct] jointly as we did today.

I would say relations between our two countries are positive. That positive tone was started by Presidents Carlos Salinas de Gortari and George Bush, who, when they first met in Houston as presidents-elect, decided to improve bilateral relations. I believe we have improved bilateral relations.

The improved spirit of bilateral relations has permeated the U.S. and Mexican Governments. We confirmed that fact by the tone of our talks at this binational meeting. We held intelligent discussions. We discussed many problems in an in-depth manner within a framework of absolute respect, great cordiality, and a spirit of cooperation. We tried to reach agreements. We communicated well. We discussed problems and tried to reach specific solutions. That is the purpose and spirit that prevailed at today's meeting.

[Alvarez] Some media have even described Mexican-U.S. relations as being in a period of a honeymoon. I am not sure whether you agree with that opinion. If that is so, if our relationship with the United States is better now than at other times, what aspects do you think could darken this relationship in the short or the long term?
[Solana] I believe we are promoting a good relationship with the United States. There will always be problems between two very big, complex, different, and geographically close countries such as Mexico and the United States, including minor and major problems. The important thing is not to ignore those problems, because they will not disappear. The important thing is the way in which we deal with those problems and how we try to solve them. What matters is whether we handle those problems through mistrust and confrontation or through mutual respect, trust, and cooperation. I believe the latter way of handling problems is the one that prevailed at today's meeting.

I would say we are experiencing a good phase in our relations with the United States. We must try to continue along that path. Both countries will benefit very much from a good relationship. A strong and healthy U.S. economy is important for Mexico, and a strong and vigorous Mexican economy is also important for the United States, not only from an economic viewpoint but also from the viewpoint of the region's overall security. Both countries would benefit from two successful economies.

It is best for our two countries that we pinpoint and solve our disagreements. Those disagreements will exist, as is normal between any two neighboring countries.

[Alvarez] What are the main disagreements between our two countries?
[Solana] [Words indistinct] there are various things. Let us take, for example, the commercial problem. Mexico has opened its economy and yet—in some aspects—we do not see any serious signs of reciprocity from the United States. For example, there is the issue of steel and textile industries, which Commerce Secretary Jaime Serra discussed this morning with U.S. Trade Representative Carla Hills. We will always have small or large disagreements on various issues. The main thing is to pinpoint these disagreements, understand them, and clearly, firmly, and cordially discuss them to find joint solutions to our common problems.

El Salvador

President Cristiani on Tela Declaration

PA0908040389 San Salvador Domestic Service in Spanish 0202 GMT 9 Aug 89

[Speech by President Alfredo Cristiani in San Salvador—live]

[Text] Salvadoran people: When I took office I sincerely pledged to seek a solution to the conflict that is draining our fatherland as a top priority in my government's political agenda. I said at the time that I would act with a sense of historic urgency and without any hesitation whatsoever to initiate the process that would truly lead the Salvadoran people to their much desired goal of peace.

With this goal in mind, I began, from the first day of my administration, to search for peace, taking care not to infringe in any way on the constitutional framework. I decided to examine and implement practical mechanisms that would prompt a permanent, direct, serious, and reserved dialogue between the democratic sector and the FMLN [Farabundo Marti National Liberation Front].

Scarcely 2 months after declaring my intentions, I am pleased to inform the Salvadoran people that I have initiated the effort to reconcile the Salvadoran family on a correct and positive note. I am working with a new approach and renewed motivation to create the necessary political mechanisms whereby the viability of establishing peace among all Salvadoran brothers can be ensured, and in the near future we can join forces to rescue the nation.

Inspired by these goals, I went to the Central American presidents' meeting in the port of Tela in the Republic of Honduras, a meeting that was carried out in accordance with the Esquipulas II agreements and the Alajuela and Costa del Sol Declarations.

The meeting with the Central American presidents was carried out in a respectful and cordial atmosphere, despite our initial differences of opinions and positions. The five presidents clearly stated their positions, following the agenda that had been previously established by the foreign ministers of our neighboring countries.

I proposed as a key issue that it was no longer possible to continue to put off the Salvadoran situation because of its regional repercussions, and because the spirit of the Esquipulas II agreements was based upon the regional, global, and simultaneous solution of Central America's problems. I said we could not discuss the Nicaraguan situation without reaching concrete agreements concerning the Salvadoran case, particularly because the Nicaraguan Government contributes toward violence in El Salvador by offering all types of aid to the FMLN.

I must now inform you, dear viewers, of what the Tela, Honduras agreement consists. Three important documents were signed. The first was the five presidents' declaration, from which I will read point 3, the text of which states: To reiterate their appeal to the armed groups in the region, most particularly to the FMLN, which still insists on resorting to force, to desist from such actions. For this purpose, Chapter 3 on assistance for voluntary demobilization of the FMLN members was approved. In it, a vehement appeal is made to the FMLN to agree to an immediate and effective cease-fire in order to carry out a dialogue that will lead the FMLN members to forsake the armed struggle and to join institutional and democratic life.

This, Salvadoran people, means that the Central American presidents believe that violence is unjustifiable when a democratic process exists. The FMLN has been asked in an impassioned, but clear manner to end its hostilities. Once the hostilities have ended, the FMLN must establish talks with the government and abandon the armed struggle so that the FMLN's members can join institutional and democratic life.

I must also tell you that I have clearly felt the Central American presidents' support—support for our democratic process and total rejection of violence. Most important of all, however, is that the agreement, the declaration, was signed by Nicaraguan President Ortega. President Ortega has been helping the FMLN, and in Tela, for the first time, he officially admitted this. However, by reaching this agreement he has pledged to stop using Nicaraguan territory to continue supporting an armed struggle that has no reason to exist, as the Central American presidents stated.

The agreement also speaks of a dialogue, the dialogue that we proposed to the FMLN on 1 June. Now, by means of a letter signed by the five commanders of the FMLN, a letter that President Ortega delivered to us, we have been informed that they are prepared to participate in a dialogue. We will always be ready to seek peace and to set arms aside and secure the incorporation of the FMLN. The agreement that was signed also includes what you have heard, which is listed in Chapter 3. Chapter 3 forms part of a joint plan that calls for the voluntary demobilization, repatriation, or relocation [desmobilizar, repatriar, o reubicar voluntariamente] of all the armed groups in the Central American region. Chapter 3, however, deals exclusively with the FMLN. The objective is for the FMLN to abandon the armed struggle and to have procedures that would allow its militants to join our fatherland's peaceful and democratic process with all the necessary guarantees.

Chapter 3 states that the procedures that would be used for the FMLN are the same procedures that would be implemented for the members of the Nicaraguan Resistance who may voluntarily decide on their demobilization. A Chapter 3 sentence states: The members of the FMLN will be demobilized by means of the procedures

established in Chapter I of this plan. This is the first time the FMLN is mentioned directly and specifically. This was no longer a matter of only discussing and resolving the Nicaraguan problem. Now there is the commitment of the Central American presidents to help resolve the Salvadoran problem. The mechanisms for the voluntary demobilization of the Nicaraguan Resistance, or contras, will apply to all FMLN elements who may voluntarily decide on a demobilization.

We believe it was necessary for us to introduce the Salvadoran problem at the regional level the way we did. As I said, we cannot continue to speak about the problems of other countries while El Salvador is being ignored.

We want to refer to the third point. This point has to do with the aid that the Nicaraguan Government has been giving to the FMLN. This agreement indirectly involves verification of the non-utilization of a country's territory to help armed groups from other regional countries.

The agreement between between Honduras and Nicaragua to resolve their problem at the International Court of Justice, allows us to set in motion UN peace-keeping forces forming a verification force that would not permit the mobilization of arms and the use of territories by armed groups.

What do all these statements and documents mean to the Salvadoran people? They mean that no Central American president will permit [the presence in their respective country] of armed men who want to reach political power through the use of arms. They mean that there is no longer room for violence in Central America, and that democracy is what must rule. Our democratic process already provides sufficient guarantees for everyone's participation. This is what is important from the meeting in Tela, Honduras—the categoric and specific incorporation of our problem.

We want to say that when we proposed a dialogue to the FMLN on 1 June, we did not demand a cease-fire as a prior condition. However, when this issue was discussed in Tela, with the understanding that there is no justification for the use of force in our fatherland, the Central American presidents categorically included this demand and asked the FMLN to effectively and immediately cease hostilities. For this reason we urge the FMLN, although this is not a prior condition, to accept the cease-fire prior to the dialogue, because there is no justification for violence and the Salvadoran people are tired of it and are entitled to live in peace.

The signing of these agreements definitely marks the beginning of a new era in the search for peace in Central America, especially in our country. These agreements, seriously studied and signed by the presidents of Central America, open—with a justifiable sense of optimism—the door to the hope that today we are closer than ever to achieving peace.

We are no longer talking poetically as we did in the past. We have adopted clear decisions that express a political resolve to put an end to the armed conflicts and leave behind the irrational use of violence as an instrument to achieve power.

Fully aware of my responsibility as a leader, I am reporting on these positive and unprecedented historic achievements. I do not seek your applause or claim victory, and I do not wish to raise expectations, because I would rather wait and see what happens.

People of El Salvador, as president of the Republic, I wish to reiterate my plea to everyone in the country to contribute to our efforts for peace. I ask that we act with patriotic unity so that the peace we so much desire will become a reality in the near future. Let us work hard to create the conditions for peace and not violence; let us solve the conflict that has brought suffering to the Salvadoran people; let us, through a civilized dialogue and within the framework of the law, contribute to creating the right environment so that the peace mechanism can work; and let us set aside hate and violence and close the wounds of the conflict.

I feel the time is right to reaffirm my political resolve and determination to ensure that this opportunity to achieve peace in our homeland is not lost. I am firmly committed to achieve this noble objective, and my government, as it has done from the very 1st day, will continue to work with absolute honesty and sincerity so that the agreements adopted during the Central American presidential summit become a reality for the good of El Salvador and our great homeland, Central America.

I do not seek, nor will I seek, the laurels of victory. I do not seek humiliating defeats for anyone. What I seek is peace. I seek representative democracy in our homeland. I seek to solve the social problems of our people by developing an economy that will benefit all Salvadorans.

To the leaders of the political parties, a vital component of representative democracy and our nation's ideological pluralism, we wish to invite you to join us so that together we can work for peace in El Salvador. Let us set the party banners aside and pick up our national flag.

To the FMLN leaders, I reiterate my determination and political resolve to work for peace. I am truly interested in putting an end to the bloody fratricidal struggle. I hope the FMLN will hear the call made by the Central American presidents and contribute to strengthening the national reconciliation and democratization processes as established in the Esquipulas II agreements. I also hope that the FMLN will set aside its intransigent attitude and voluntarily agree to cease all hostilities, that it will demonstrate its peaceful intentions by stopping all terrorist actions against the people. I hope the FMLN will meet with us to begin this process of permanent and firm dialogue, which we are willing to begin in accordance

with the agreements adopted within the context of Esquipulas II at the recent presidential summit. This dialogue should be held without conditions and without any propaganda.

To the Salvadoran people, who for years have been suffering the hard and sad consequences of a war and who are anxiously awaiting the achievement of peace, I assure you that my government is determined to work for peace by setting aside all political, personal, or partisan interests. I want all Salvadorans to contribute to achieving a civilized end to the conflict, and I would like to see all attitudes that hinder the achievement of peace set aside. Peace must not be an instrument for an ideological or partisan struggle. Let us switch the roles. Let us be the instruments for achieving peace. The selfish attitude that has hurt the homeland deeply must be set aside, and we must place the sacred interests of our beloved El Salvador above all else.

Peace can only be achieved with the help of everyone. We must understand that achieving peace will be the biggest victory of the people, and this does not mean ideological surrender. We all have opportunities within the framework of our Constitution. The Constitution guarantees us ideological pluralism and representative democracy.

Salvadoran brothers, let us pray that God will oversee this effort for peace. May the Savior of the World guide and enlighten us. Thank you and may God bless you.

FMLN Issues Communique Discussing Tela Summit
PA0808214289 San Salvador Radio Cadena YSU in Spanish 1700 GMT 8 Aug 89

["Text" of communique issued by the General Command of the Farabundo Marti National Liberation Front (FMLN) on 8 August—read by FMLN spokesperson]

[Text] FMLN communique to all the Salvadoran people:

Concerning the Tela agreements, the FMLN General Command hereby states the following:

1. These agreements are a victory for the revolutionary, progressive, independent, and democratic forces of the region, and as such, we strongly praise them.

2. These agreements seal the political death of the contras and declare to the world the failure of the policy of aggression that the Reagan administration initiated and carried out against the people of Central America.

3. Although the government and Armed Forces were prepared to put forward a theory of parallels, all of their alleged evidence was derided and discarded.

4. Cristiani has signed off on the contras' death sentence and acknowledged before the entire world that the FMLN is a force with which it must talk and negotiate. He went to Tela with a dialogue plan to cover up the war, but he was forced, under the agreements, to negotiate for peace with the FMLN. Cristiani's dialogue commission, in fact, has been demobilized.

5. Cristiani was forced to sign a pledge for democratization when his plan was to (?fascistize) El Salvador.

6. The FMLN reaffirms its resolve to continue to support the efforts of the political parties, the San Salvador archbishopric, and other social forces to establish a dialogue and negotiations with the government. It is clear that the contras were a mercenary force maintained by the United States, which attacked Nicaragua from Honduras, and which should and could be demobilized. It is clear that the FMLN is a national force that has reasons for being at war, and with which peace must be negotiated. No one can demobilize the FMLN because it is within the country and is a legitimate national force.

The FMLN calls on all fellow patriots who have sought refuge in Honduras, Nicaragua, Costa Rica, Guatemala, and the rest of the world to return to the fatherland. They are protected by the Tela agreements. We ask all Salvadorans to demand of Cristiani that, without further stratagems, he carry out a serious negotiation; fulfill his pledge to democratize the country; stop the repression, kidnapping, and torture; release all political prisoners; guarantee freedom of expression; respect reform; and abolish the economic measures that are deepening the war.

[Signed] FMLN General Command
[Dated] 7 August 1989

Guatemala

Striking Teachers Take Over Foreign Embassies
PA0908004789 Panama City ACAN in Spanish 0005 GMT 9 Aug 89

[Text] Guatemala City, 8 Aug (ACAN-EFE)—The temporary takeover of the Costa Rican and Nicaraguan embassies in Guatemala City, the attempts to take over European embassies, the wounding of three teachers, and the arrest of others is the result of measures taken by the teachers to put pressure on the government concerning their demands for a salary increase.

Teacher leaders have asserted that, after 10 weeks of the strike, they adopted the measures to deliver to the ambassadors documents that ask them to mediate so that the government heeds their demands.

Approximately 100 teachers initially took over the Nicaraguan Embassy for an hour. They were received by Ambassador Ricardo Zambrana, who explained that he cannot mediate in the internal conflicts of another country.

The same action was taken at the Costa Rican Embassy, where Ambassador Mario Charpentier gave them a similar answer.

Police Spokesman Guillermo Mollinedo told ACAN-EFE that several teachers also tried to take over the Spanish and Italian Embassies, but were unable to do so given the prevailing security measures at those locations.

Meanwhile, incidents between an anti-riot platoon and the teachers were reported in the capital. Three professors were slightly injured during the incidents.

Mollinedo said that in Puerto Barrios, located on the Atlantic coast of Guatemala, approximately 300 teachers took over the customs office and three teachers were arrested and arraigned before a court of justice when they refused to leave the premises.

He added that public offices were also peacefully taken over and abandoned in the country's interior.

Four Youths Arrested During Street Disturbances

PA0808230789 Panama City ACAN in Spanish 2034 GMT 7 Aug 89

[Text] Guatemala City, 7 Aug (ACAN-EFE)—Street disturbances allegedly carried out by students in Guatemala City resulted in 12 injured, 4 arrested, 1 burned bus, and property damage to several stores.

Police sources told ACAN-EFE that people were injured when a bus was stoned and burned. Meanwhile, the windows of some stores were broken in downtown Guatemala City.

During the disturbances, the police arrested four youths who belonged to a youth gang.

The fire department asserted that the students erected barricades in various parts of Guatemala City to demand the immediate resumption of classes, which have been suspended due to a 9-week teachers' strike. Teachers are demanding better wages.

In view of the threat of more de facto actions by students, urban bus owners threatened to pull their buses from their routes.

Police sources said security agents have been instructed to arrest all who disrupt public order. They have also been instructed to conduct operations in Guatemala City to protect public buses.

The losses caused by the street disturbances have not yet been calculated.

Nicaragua

Government, Rebel Reactions to Tela Agreements

Officials Optimistic Over Summit

PA0808154189 Managua Radio Sandino in Spanish 1210 GMT 8 Aug 89

[Report on statements by Lieutenant Colonel Ricardo Wheelock, chief of the Defense Ministry's Military Intelligence Directorate, and Vice Foreign Minister Victor Hugo Tinoco—date and place not given]

[Text] Lieutenant Colonel Ricardo Wheelock, member of the Nicaraguan delegation that participated in the negotiations in Tela, Honduras, [and chief of the Defense Ministry's Military Intelligence Directorate] said that he is optimistic about the summit results and that he believes that Honduras will abide by the agreement signed by the five Central American presidents.

[Begin Wheelock recording] I believe that we must be optimistic. Honduras is making a commitment before the international community to abide by the agreement. We fully trust that Honduras will comply with the agreement, because we are dealing with a very important international agreement involving Honduras. However, Nicaragua has some means for ensuring Honduras' compliance with the agreement. Those means are included in the bilateral agreement signed by Honduras and Nicaragua. [end recording]

In addition, Nicaraguan Vice Foreign Minister Victor Hugo Tinoco, member of the technical commission that drafted the demobilization plan, said that the agreement reached in Tela, Honduras, demonstrates that the efforts that began in Costa del Sol, El Salvador, have been successful.

[Begin Tinoco recording] I believe that what is most important is that the contra demobilization is now official. In other words, the contra demobilization will go into effect. At the Costa del Sol meeting, the contra demobilization was merely a promise, an idea, an agreement to draft a plan. This time, however, the demobilization plan contains dates, which have already been approved. We only hope that this plan is carried out to the letter. [end recording]

RN Leader Waiting on Sandinists

PA0808214189 Managua Radio Corporacion in Spanish 1200 GMT 8 Aug 89

[Interview with Resistance Commander Enrique Bermudez by Rafael Mojica in Miami on 8 August—recorded]

[Text] [Mojica] Commander Bermudez, how do you and the Nicaraguan Resistance [RN] view the Tela agreement?

[Bermudez] Well, we view it as someone who has had nothing to do with it, who has not been invited to participate in the drafting of the agreement. We view it as someone who has been assigned some commitments in an agreement that that person has had absolutely nothing to do with. Obviously, before the agreements were reached, we expressed our viewpoints and our position. We stated that, in order to promote this process, it was important for us that our viewpoints be respected. I believe that very little, or hardly anything, has been taken into account. However, in the Tela summit agreement, we see the Sandinist Government has expressed, according to the Esquipulas agreement and the Costa del Sol declaration, its willingness to strengthen the national reconciliation process and the [words indistinct] of democratization to persuade the RN members to return to Nicaragua.

Therefore, we see that thus far the Sandinist regime has made a commitment, yet it has not promoted or taken the steps to strengthen the national reconciliation process. We are waiting for the Sandinists to promote this process. For example, one of the ways to promote this process would be through a decree ordering an immediate amnesty. Remember that Nicaraguan jails are full of thousands of prisoners, many of whom are in jail just for being members of our armed movement or for having provided any kind of direct or indirect assistance to this movement or struggle. We think that a good step to strengthen the national reconciliation process and to persuade the combatants to return to Nicaragua would be through a general amnesty and release of all political prisoners. In other words, to fully implement an amnesty.

The democratization of Nicaragua is another process that would encourage national reconciliation. There is no freedom of the press. LA PRENSA and some newscasts have permits to operate, but our laws do not contain provisions that guarantee true freedom of speech. The Sandinists have made a commitment. We will wait and see if the provision established in the Tela agreement—to strengthen the national reconciliation and democratization process to encourage us to return to the country—is fulfilled. We are going to wait for the Sandinists to take those steps to promote the voluntary return mentioned in the agreement. Therefore, if the government does not encourage the voluntary return, there will be no repatriation or demobilization, which has to be voluntary.

[Mojica] Commander Bermudez, the Tela Declaration states that an International Support and Verification Commission, CIAV, will be set up in 30 days. According to the report, 90 days later the voluntary demobilization, repatriation, and relocation of the Nicaraguan rebels will take place. How do you view the Central American presidents' agreement.

[Bermudez] [Passage indistinct] if the conditions exist. If they do, they must be kept. [Words indistinct] that we are ready to discuss with the CIAV. We are also ready to meet with the Sandinist government to have direct talks on these conditions so that our fighters' willingness [voluntariedad] can be encouraged.

[Mojica] How does the RN expect to make this contact and hold talks with the Sandinist government?

[Bermudez] This commitment seems to be implicitly mentioned in the part of the declaration that reads: Once the CIAV is established, it will immediately hold consultations and reach the necessary agreements with Nicaraguan officials, other Central American governments, the RN, officials of other humanitarian organizations, etc., to expedite the implementation of this plan. Based on that, we are at the disposal of the CIAV. It can contact us and make the necessary arrangements so we can hold direct talks with the Sandinist regime.

[Mojica] Commander Bermudez, let us consider the precedents that have been set in all the previous agreements the Sandinist government has signed, starting with the one signed 2 years ago in Esquipulas. Then, we have the Alajuela and Sapo agreements, as well as agreements with private enterprise. We must not forget an agreement with the OAS during the struggle against the Somoza regime, which, although the Sandinists did not directly sign it, entailed a clear commitment to democratize Nicaragua. We see that the Tela Declaration contains two elements President Ortega opposed. One was talks with the RN and the other the end of hostilities by the FMLN [Farabundo Marti National Liberation Front]. How do you feel about this? What can you tell our Nicaraguan listeners?

[Bermudez] As for the agreements signed and the commitments made, like the one the government signed with the Nicaraguan Opposition Union [UNO], we do not think the Sandinists will abide by them. The Sandinists have systematically failed to comply with the agreements they make. As stated in some Nicaraguan newspapers, we are fully entitled to be skeptical about the commitments the Sandinists make.

[Bermudez continues] However, we will be waiting for the CIAV to contact us to make the necessary consultations and reach the necessary agreements; in other words, to discuss the political, democratic and security conditions that must prevail so that we can voluntarily accept our repatriation to Nicaragua. [podamos repatriarnos voluntariamente a Nicaragua]

The Sandinists naturally have made some cosmetic concessions regarding the dialogue between the FMLN and the Salvadoran Government. However, we are more directly interested our problem. In this sense, I would like to stress that we are willing to discuss in direct talks with the CIAV and the Sandinist government whether the conditions are right or not for our voluntary demobilization and repatriation [condiciones para la desmobilizacion y repatriacion voluntaria].

[Mojica] You mentioned at the beginning that the RN was not taken into consideration in terms of participating in this Central American summit because it is not a government. However, you also mentioned that you have had conditions imposed upon you that must be met. We understand that these conditions also include compliance by the Sandinist government with the dialogue. If for any reason Daniel Ortega's government fails to hold this dialogue, what would be the RN's position in that case?

[Bermudez] Well, the Sandinists have committed themselves to promote the process of national reconciliation and democratization to encourage willingness [voluntariedad]. If the Sandinists do not take the steps as they promised, they will naturally not be encouraging our willingness. Hence, if no willingness is encouraged, there simply will be no voluntary demobilization, repatriation, or relocation.

[Mojica] Is there anything else you would like to say to our Nicaraguan audience?

[Bermudez] Yes. I would like to tell the Nicaraguan people that the freedom fighters have complied throughout these years of struggle with their patriotic duty of making the supreme sacrifice for our country's liberation and democratization. However, Nicaragua will not be free only through the will of a group of heroic fighters. Nicaragua will be free when all Nicaraguans show their determination to fight for liberty and democracy.

Resistance Displeased

PA0808225389 Paris AFP in Spanish 2137 GMT 8 Aug 89

[Excerpt] Washington, D.C., 8 Aug (AFP)—The leaders of the Nicaraguan rebels today received the drastic "death sentence" passed by the Central American presidential summit on the contras—the "freedom fighters" that the United States created and supported for almost 10 years—in deadly silence.

However, it seems this silence is only a preamble to future expressions of anger and displeasure for the "treacherous" action launched against them by the "Central American democratic governments" and for Washington's "abandonment" of the rebel cause.

During their meeting in Tela, Honduras, the presidents of Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua, agreed to carry out, before the end of the year, the demobilization, repatriation, or relocation in third countries, of the rebels who, since 1981, have been fighting the Sandinist government without achieving their goal of overthrowing President Daniel Ortega.

The members of the Nicaraguan Resistance [RN] Directorate, dispersed throughout the United States and Central America, avoided making premature statements. Bosco Matamoros, spokesman for the RN who is currently in Washington, was the only one to break the deadly silence.

"We will continue to respect the truce, however, we will not accept any solution that equals surrender," Matamoros told AFP.

"The United States has created a problem for itself now as a result of Washington's political blind spot with regard to the Central American region, especially Nicaragua," Matamoros added.

Matamoros did not hide his displeasure at the United States' "abandonment" of the struggle of the rebels "for freedom and democracy in Nicaragua." Matamoros said that the United States never defined "a clear position" concerning Nicaragua choosing to defend "its national security interests and avoiding domestic political problems."

"This is also the result of the confusion created by the position adopted by the White House that called for maintaining the resistance as a live force until after the elections, and the State Department that supported an advanced demobilization," the leader added.

The RN believes that the Tela presidential decision "did not take into consideration the necessary link between demobilization and democratization," something "very vaguely" mentioned in the summit agreements.

The rebels are willing to remain on "alert, with weapons in hand" waiting "to start talks with the Sandinists and open negotiations designed to adopt specific measures that will guarantee the safety and follow-up of the democratic process in Nicaragua."

"We have requested a dialogue, but the Sandinists have not responded," Matamoros said bitterly. "We will continue to wait, we will remain alert, maintaining the integrity of our forces," Matamoros stressed.

Earlier, a spokesman for the contras general headquarters in Miami had said:

"The directorate is analyzing the impact (of the Tela agreements). There is no official reaction, but there is a message from Commander Enrique Bermudez to the Nicaraguan people." [passage omitted]

RN on Demobilization Accord

PA0908025789 Paris AFP in Spanish 0029 GMT 9 Aug 89

[Excerpts] Washington, 8 Aug (AFP)—Members of the Nicaraguan Resistance [RN] hierarchy took a long time to break a hermetic silence kept since the announcement

of their prompt demobilization and today threatened to maintain their armed struggle if the Sandinists fail to fulfill promises to democratize the country.

Adolfo Calero, one of the RN Directorate members who is best known at the White House and the State Department, did not rule out the possibility of "entering Nicaragua armed" to defend freedom and democracy. [passage omitted]

Calero, who harbors doubts that the Sandinists will fulfill any promise to democratize or guarantee freedoms in his country, pointed out that the rebels now have only three very distinct alternatives:

1. Accept amnesty.

2. Enter Nicaragua armed to join 3,000 other combatants who are stationed in Nicaraguan territory.

3. Seek asylum.

Calero met with 400 Nicaraguans at a Miami church tonight to explain the scope of the delicate situation facing his movement.

Commander Enrique Bermudez, who is in charge of military affairs within the RN Directorate, told AFP that no one can guarantee peace in Nicaragua, not even after the elections.

"Without general amnesty there can be no national reconciliation and without democracy there can be no demobilization of our troops," Bermudez added. Like Calero, he also voiced his doubts about any Sandinist attempt to comply with promises to democratize the country.

"We will continue to be on alert. If the announced Sandinist resolve to consolidate the democratization process materializes, we would support voluntary demobilization. If it does not, we would not," Bermudez pointed out.

He said that the rebel hierarchy is willing to hold talks with the Sandinists to establish mechanisms and guarantees for their return, but he first alerted the Nicaraguan people.

"Liberty commando units have fulfilled their patriotic duty of fighting for the liberation and democratization of Nicaragua, but our country will only be free when all Nicaraguans fight for their freedom," Bermudez pointed out.

He added: "We will continue to make sacrifices in one way or another to achieve a free fatherland." [passage omitted]

PLI: Denies Contra 'Death Blow'

PA0908003089 Panama City ACAN in Spanish 2150 GMT 8 Aug 89

[Text] Managua, 8 Aug (ACAN-EFE)—Virgilio Godoy, president of the opposition Independent Liberal Party (PLI), said today in Managua that the agreement reached at the Central American "summit" may be the "beginning" of a "large-scale" solution in Nicaragua but that it will not end the war in this country.

In statements to ACAN-EFE, Godoy, considered Nicaragua's foremost opposition leader, denied that the agreement is a "death blow" for the "contras," as President Daniel Ortega described it.

The presidents, who met in Tela (Honduras) between 5 and 7 August, agreed on a plan to demobilize the "contras" based in Honduran territory before 8 December, and they urged the Salvadoran Government and guerrillas to initiate a dialogue process that would end almost a decade of war that has claimed over 70,000 lives.

There are approximately 12,000 "contras" in Honduras along with approximately 50,000 of their relatives.

The Liberal leader said that to "believe this arrangement will end the wars in Central America would be indicative of a simplistic mind, one unable to take an in-depth look at a complex situation."

Godoy said: "We must not forget there are still contra fighters in Nicaragua and that the Nicaraguan Government has admitted that approximately 3,000 contras operate within the country."

Godoy, also a member of Progressive Liberal International, pointed out that perhaps a technical meeting in Managua between the government and the armed resistance would answer the question that was left "floating" at the Tela "summit": What is to be done about the 3,000 "contras" in Nicaragua?

President Ortega recently said that between 1 January and 31 July 1989, the "contras" perpetrated 1,230 attacks that left a total of 1,774 casualties.

Anti-Sandinist leader Aristides Sanchez said today in Miami that "the insurgents are determined to continue their struggle if real steps are not taken toward democratization," although Nicaragua insists that the insurgents are an "unburied corpse."

Godoy, who was labor minister until 1984, nevertheless was optimistic about the agreement reached at the Central American "summit" and the events unfolding in Nicaragua, but he believes that "it is only one rung up on a tall ladder."

Virgilio Godoy, one of the National Opposition Union's (UNO) possible presidential candidates, also believes that the United States "will accept" the Honduras agreement because "it is very precise" and refers to the "contras'" return to Nicaragua.

Regarding Ortega's complaints that the United States is determined to make the agreement fail, Godoy said that the Nicaraguan president's speech is a "scratched record, a cassette that no one should take seriously."

Godoy pointed out that even Ortega has already publicly acknowledged that the Nicaraguan conflict "is a civil war that was not made in the United States."

The dissident leader believes, nevertheless, that Ortega behaved in a practical and flexible manner in Honduras in order to reach an agreement that Godoy views as "a slow step in the right direction."

"I hope that just as Ortega acknowledged this reality in Honduras, he will be capable during the months he has left as president of Nicaragua of reaching a better agreement with the opposition," Godoy said.

PLI delegate Jaime Bonilla participated as a member of the UNO negotiating commission—formed by 14 parties of various political backgrounds—in the dialogue with the government on the eve of the Honduras "summit."

At that meeting, the government agreed to temporarily suspend military recruitments and to abolish the law on the maintenance of public order. It also offered a series of judicial and political guarantees for participation in the electoral process that will culminate with elections on 25 February.

Panama

Controversy Surrounds U.S. Maneuvers, Actions

Soldiers Detain FDP Officers

PA0808221489 Panama City ACAN in Spanish 2140 GMT 8 Aug 89

[Text] Panama City, 8 Aug (ACAN-EFE)—Alberto de Santis, mayor of Arraijan, reported that soldiers from the U.S. Army stationed on the banks of the Panama Canal, today detained and disarmed three officers and four soldiers of the Panama Defense Forces [FDP] in this town near Panama City.

The Panamanian soldiers, De Santis, other Panamanian officials, reporters from the local media, and several civilians were taken by the U.S. soldiers to a U.S. military coordination area, questioned, and photographed.

The incident—the most serious incident between the two countries since relations between the two countries soured 2 years ago—occurred while soldiers from the U.S. Southern Command were heading in five armored vehicles toward the freeway that links Panama City with the country's interior.

The Arraijan mayor told ACAN-EFE that the U.S. convoy was stopped for 35 minutes by several Arraijan residents who blocked the freeway with vehicles. In view of this, the U.S. officer in command of the convoy ordered them "to clear the place" or face being fired upon.

At the same time, two U.S. Cobra helicopters flew to the location of the incident, outside the U.S. Howard military base, De Santis told ACAN-EFE.

The U.S. armored vehicles cleared the way by ramming two of the vehicles that intercepted them. They then took up positions in front of the group of Panamanian citizens, and ordered the drivers and passengers to get out of their vehicles.

At that moment, the U.S. soldiers disarmed and detained FDP Major Manuel Sieiro, chief of the Chorrera Military Zone (which covers Arraijan), and two other officers and four soldiers accompanying him.

According to De Santis, he and Sieiro were at the place where the U.S. armored vehicles were stopped because they had been informed that the convoy was approaching Arraijan through the only highway that links Panama City with the freeway and the country's interior.

Mayor de Santis, Araijan municipal officials, and newsmen who work for progovernment media were also arrested.

According to De Santis, the Panamanian soldiers and civilians were taken to an area under U.S. military control where, according to him, they were interrogated in groups of five and photographed. Film was seized from the newsmen.

De Santis said that they had been under arrest 3 hours when Colonel Robert Perry, chief of the public relations office of the U.S. Southern Command, which has its headquarters as well as 12,000 soldiers in Panama, went to the area and ordered the release of the Panamanians.

Lieutenant Colonel Arnulfo Castrejon, Panamanian codirector of the Joint Canal Defense and Security Commission [Comision Conjunta de Defensa y Seguridad del Canal] said in reference to the incident that the U.S. soldiers "are failing to keep within the limits of respect." He noted: "The way they are treating a peaceful people like ours, who are struggling for sovereignty and integrity, is not fair."

Castrejon added: "The entire world must do something about this. There have been enough intimidating actions."

The Southern Command has not reported its version of the incident and has issued no comment on it. The arrest of the Panamanian soldiers took place at a time when throughout the country the Panama Defense Forces are carrying out the "Oust the Intruder" maneuvers, which include the deployment of armored vehicles, airplanes, helicopters, and troops.

Early this morning, soldiers from the elite FDP Battalion 2000 carried out military exercises near the U.S. Albrook Air Force Base on the outskirts of Panama City.

These soldiers simulated an incursion into "enemy territory," FDP sources reported. The "Oust the Intruder" maneuvers are being carried out within the framework of celebrations of the 6th anniversary of General Manuel Antonio Noriega assuming the post of FDP commander.

Country Requests UN Meeting

PA0908000989 Panama City Telemetro Television in Spanish 2335 GMT 8 Aug 89

[Text] Panama today asked the UN Security Council to hold a meeting to discuss the situation brought about by an escalation of U.S. military actions within its territory. In a letter addressed to the council, Panamanian Ambassador Leonardo Kam denounced acts of intimidation, provocation, and aggression committed by U.S. troops stationed in the canal area, actions that he considers to be an outrage against his country's sovereignty and territorial integrity.

Noriega: U.S. Policy 'Dangerous'

PA0908001189 Panama City ACAN in Spanish 2335 GMT 8 Aug 89

[Excerpt] Panama City, 8 Aug (ACAN-EFE)—General Manuel Antonio Noriega, chief of the Panama Defense Forces [FDP], today described the U.S. policy toward Panama as "dangerous" and stressed that Washington wants to maintain its military presence on the isthmus to continue controlling the continent as a whole.

According to Noriega, the United States controls, from U.S. bases in Panama, the entire Caribbean and Latin American region "down to the Malvinas," through powerful electronic means.

In addition, the general said that the FDP and the Panamanian people take pride in their patience and calm in the face of "constant provocations" by U.S. troops stationed in the canal area.

Referring to the constant U.S. Army maneuvers on Panamanian territory, Noriega said: "Its boldness has turned into insolence." The general made these statements today when he received approximately 20 retired officers from 11 different Latin American armies who are attending a meeting of the Organization of Military Officers for the Democracy, Integration, and Freedom of Latin America and the Caribbean (OMIDELAC), which began on 7 August. [passage omitted]

'Oust the Intruder' Continues

PA0808223689 Panama City Domestic Service in Spanish 2205 GMT 8 Aug 89

[Excerpt] [Passage omitted] The military operation "Oust the Intruder" will continue at dawn tomorrow when the 2d Puma Company will carry out paratrooper exercises in Bique. At 1100 the Huesar special antiterrorist security unit will carry out public property defense and protection maneuvers at the main offices of the National Bank on Via Espana [in Panama City].

Solis Palma on Return From Bolivian Inauguration

PA0908025189 Panama City Domestic Service in Spanish 2348 GMT 8 Aug 89

[News conference given by Manuel Solis Palma, minister in charge of the Presidency, upon his return from La Paz, Bolivia, at the Omar Torrijos International Airport in Panama City; with moderator Jose Hernandez, information director of the Presidency—live]

[Text] [Hernandez] Good evening, colleagues. Thank you for being here for the arrival of His Excellency the president of the Republic. He is prepared to share with you his experiences at the presidential inauguration in Bolivia. Mr President.

[Solis Palma] Good evening, distinguished friends. As my friend Jose Hernandez has just said, we went to Bolivia for the presidential inauguration of a great friend of Panama, Jaime Paz Zamora. He lived for a while in Panama and established many contacts in our country. He is very grateful for the courtesy with which he was always treated here. I believe he understands our problems.

I also want to say that in Bolivia there is a very important process of national unity going on. The political parties and the people there have renounced personal and party interests and have placed the interests of their fatherland above everything. They are working for Bolivia. Their latest political pact was agreed upon by groups that have been separated by large, historic differences. One example of this is the case that involves the followers of General Banzer and the followers of Jaime Paz Zamora.

Their pact serves as an example of what man can do when the interests of the fatherland are placed above selfish interests.

I really would like to see Panamanians thinking about Panama first, and realizing that the fundamental issue here is our nation, that there is nothing above that; that when one imagines he is above it, then one loses all sense of responsibility as well as the respect of his fellow citizens.

I am moved whenever I see this type of attitude in a sister nation, but I am saddened to see that in my country things are not happening that way.

As I told the media in Bolivia, our situation unfortunately, is not the result of just a political problem or of an agreement among parties. First we have to safeguard the struggle for national liberation and Panama's survival as a free, sovereign, and independent nation.

If all Panamanians do not pledge to seek a consensus on these two basic issues, we cannot say that we are Panamanians. In Bolivia they did not discuss the country or the nation; it was a difference between parties. In Panama it is a problem that concerns our country, meaning the Panamanian nation, the liberation of our country. Perhaps this is what saddens us most and precludes, or prevents, an agreement.

I want to state here my recognition of the Bolivian people, their government, and their politicians—who stated their brotherhood, affection, and esteem for Panama at all times. They hope the Panamanians will be able to live free of all pressure. We were welcomed by everyone wherever we went—the Bolivian Labor Federation, the people who applauded Panama at the events we attended, and the other Latin American leaders, whose reaction to our presence was never hostile. All this is undoubtedly due to the Panamanian people's firmness, their recognition of the Panama Defense Forces' role, and their recognition of everyone. It was not a tribute to the president of Panama; it was a tribute to the Panamanian nation.

I am truly pleased with this trip, this fraternal welcome we were given, and I feel that our dignified struggle has resulted in this magnificent effect that I am explaining to you. I am grateful for your presence here and I am prepared to answer your questions.

[Hernandez] The first question will be asked by Tomas Alberto Cupas, president of the association of foreign correspondents accredited in Panama.

[Cupas] President for life, now. Mr President I would like to ask you whether the presidents who attended the swearing-in ceremony expressed support for the Panamanian cause or for the crisis experienced by the Panamanian people?

[Solis Palma] They did not exactly express support. However, they did express a comparative awareness. We exchanged views, but it was not the time to ask for commitments or discuss situations that had nothing to do with the event we were attending.

Then again, most of the presidents arrived on the day of the swearing-in and left the same day. I was the only exception. In those countries, the president needs the approval of the congress to leave the country and since they had not requested this approval, they could only remain out of the country for 24 hours. That situation applied to [Argentine President Carlos] Menem and [Brazilian President Jose] Sarney. It did not apply to [Uruguayan President Jose Maria] Sanguinetti, who arrived the afternoon before the swearing-in ceremony and left immediately after the ceremony. Therefore, we only had the opportunity to hold brief talks. We also had the opportunity to speak with new Bolivian President Jaime Paz Zamora. These were general talks, very friendly talks. The incoming president expressed his affection and commitment to Panama, but we did not discuss his exact commitment to the Panamanian cause. These are matters that remain open and we will have to work on this.

[Hernandez] The next question will be asked by reporter Joaquin Maison.

[Maison] Mr President, I would like to know whether, during your trip to Bolivia, you made any commercial or economic contacts that will allow us to receive help from Bolivia?

[Solis Palma] Yes, I did. Last night in Santa Cruz the Bolivian-Panamanian Chamber of Commerce expressed an interest in trading with Panama, especially in agricultural products. They have a surplus of lumber and sorghum, and I am not sure, but I think they have a surplus of gas and many other things they feel we could trade with them. They need fish meal. They agreed to form a commission to visit Panama, and they invited us to participate in a fair where more than 20 Latin American and other countries will be represented. At these fairs, agreements can be reached with other countries.

The members of the Chamber of Commerce expressed an interest in having Panama act as an export center for some of their products. They also told us that they are the main suppliers of some products that we were trying to purchase from Brazil. They supply these products to Brazil, and we were told that instead of working through an intermediary, we could deal directly with them and this would be more profitable for us. At the same time, they wanted to know what kinds of products we could offer them, because they were not going to limit their business deals to agricultural products but were also interested in other areas like industry. They also mentioned the possibility of mutual investments and offering

technological aid. However, the final arrangements will be made when a commission visits the country in approximately 15 days as a result of an official invitation I extended to them.

[Hernandez] [Name indistinct] from Circuito RPC Television, Channel 4.

[Reporter] Mr President, you must have heard about the incidents at the National University. A student was killed and the university remains closed. The high schools were also closed. We would like to know what is going to happen. Also, we have no information as to whether the dialogue, with OAS mediation, will resume on Thursday.

[Solis Palma] As you may know, when you leave the country, even for 24 hours, you continue to receive information. However, it is not the same as being here and seeing what is going on. It would not be right for me to comment on the situation at this time. However, I do wish to say that death always pains me. But I would rather not comment on this until I have heard the reports from the officials, the ministers, the commander, and the general staff, on what happened and the situation that developed following the closure of the schools and university. I would like to talk to the education minister first before I comment on this situation.

However, I feel that the main thing is that we insist the country remain in total order and that situations like the one that developed at the university do not continue to occur. We cannot continue allowing Panamanians to become victims of a process of constant provocation and attempts to destabilize the Republic.

Regarding the resumption of the talks, the dialogue, I believe that you and I know who postponed the dialogue; who asked that the meeting be postponed until Thursday. Therefore, what the Panamanian people will do will depend on what they are advised to do from abroad. When I began talking to you, I expressed grief for this lack of love for the homeland.

[Hernandez] Newsman Castillero.

[Castillero] Mr president, this afternoon I read a news dispatch from La Paz saying that Enrique Iglesias, president of the Inter-American Development Bank [IDB], told President Jaime Paz Zamora about his desire to support the efforts of the new Bolivian Government. Iglesias said in this regard that the IDB will disburse $461 million over 4 years. What is the reaction in Panama, where we are experiencing a crisis, about this report that the IDB is going to support this American country? My question concerns Panama.

[Solis Palma] I would like to reiterate something all of us know—that the process of economic aggression and permanent threats by the United States, which has certain weight with the international lending organizations, has thus far prevented us from analyzing the country's fiscal and economic situation and, at the time, from finding support mechanisms. However, I think, the way things are developing, that we will have, in a brief period of time—although I cannot exactly say if it will be in days or months—a more positive, less negative response, from these institutions than we have had up to now.

However, I think that what has prevented us from solving our problems thus far is the long hand of the United States and the lack of national unity at all levels, which has also prevented us from raising our problems with independence. In some cases, this also prevents us from receiving this kind of support. If all of us Panamanians were united to defend our homeland, I am sure that the response from international organizations would be different from what we have received thus far.

[Hernandez] Newsman Rafael Candanedo.

[Candanedo] Mr President, I have two questions. The first is: What will be Panama's message to the planned meeting of the UN Security Council? My second question is: How feasible is the opposition's proposal on the plebiscite?

[Solis Palma] Concerning your first question, the Foreign Ministry and other government offices are working on the proposal or plan we are going to submit to the UN General Assembly. I would have to talk with Foreign Minister Ritter, who is not in Panama at this time, to determine how much progress has been made concerning the plan we are going to submit.

With regard to the second question, sometimes one feels one is working with extraterrestrials, because there are two fundamental issues—that nothing in the Constitution empowers the president or any state branch to call plebiscites, and that the only part of the Constitution that refers to plebiscites is the part that says that when a legislature approves constitutional amendments and one wants to avoid having to submit the amendments to a second legislature, the mechanism for it is the plebiscite. However, it says in the same section that the plebiscite cannot be called 3 months before or 6 months after this occurs.

Now, can you imagine what it means to request that a plebiscite be held in 10 or 15 days? With what voter lists will the plebiscite be held? With the voter lists [of the 7 May elections] that, according to those asking for the plebiscite, were not right? Or, is it going to be held without voter lists? Children and anyone arriving in Panama would be voting! How is the election [as heard] to be held? How will the ballots be printed? At what time? How will the party poll representatives be

selected? What information will be supplied to the country about each of the positions? Who can imagine that full arrangements for elections [as heard] can be carried out in 10-20 days?

I cannot understand this. At the same time, a request is made to resume the dialogue on Thursday, which further shortens the time until the date of the plebiscite, which has been proposed for 20 August. So, this looks more like a pretense than a serious and responsible proposal. I think that those making a proposal like this owe this country much more respect and consideration rather than going to consult with other countries or other government leaders in order for the latter to tell them what course to take. We have great respect for the leaders with whom they are going to consult. We express our utmost appreciation to them; however, we must also recognize and say that Panama's problems are best solved by Panamanians and that any other stand is simply meddling in another country's internal affairs, an action I am sure these government leaders are incapable of since they have made it abundantly clear that they respect the right of self-determination of other countries.

[Hernandez] Reporter Lissette Carrasco.

[Carrasco] Mr President, one of the worst incidents between Panama and the Unites States took place this morning. A total of 29 people, including civilians and soldiers, were arrested—the U.S. Southern Command said they were detained—and disarmed. What is your opinion of this new situation, the reports on which seem to conflict?

[Solis Palma] The only thing I can say is that I thank you for this first-hand report, because I have been flying all day today and nobody gave me this information on the plane. Therefore, I thank you and I will get confirmation of this report. Perhaps tomorrow I will be able to give you a response.

Endara on Dialogue, Conversation With Bush

PA0908005989 Panama City Circuito RPC Television in Spanish 2325 GMT 8 Aug 89

[Report on statements by Guillermo Endara Galimany, former Civic Democratic Opposition Alliance presidential candidate, in Panama City; date not given]

[Text] Former presidential candidate Guillermo Endara Galimany could, on his own, represent the ADOC [Civic Democratic Opposition Alliance] at the resumption of the tripartite dialogue in view of the fact that ADOC leaders Ricardo Arias Calderon and Guillermo Ford are not in the country:

[Begin Endara recording] I wish to say that Vice Presidents Ricardo Arias Calderon and Billy Ford's trip was scheduled long before the OAS mission came to Panama. Moreover, we thought—as many people thought—that the OAS mission would come earlier. Unfortunately, the mission was late in coming and there was a conflict with meetings scheduled by the two vice presidents with the presidents of Venezuela, Peru, and Colombia.

At any rate, we do not forsee that this will cause any major problems. If the government, the military, or COLINA [National Liberation Coalition] wish to accept a proposal from us—with or without changes—if they wish to submit any other proposal or take any other initiative, ADOC would not object at all to my attending the dialogue alone. If there is anything that could be advanced within the dialogue, if the gentlemen of the government, the military, or COLINA wish to propose something, I would gladly attend a meeting for that reason.

I wish to add that when Ricardo Arias Calderon and Guillermo Ford said that they would travel abroad, the gentlemen of the government and COLINA themselves agreed to suspend the meeting without us even having to ask. Therefore, I do not see why there is an overreaction to this trip, because there is no reason for it.

Because of this dialogue and the well-known difficulties involved in scheduling meetings with extremely busy people, such as the presidents of these three Republics—the last meeting with President Barco was finally set for the morning of 10 August, I believe. This means that the planned return trip will be delayed by 1 day. I want you to know this and I wanted you to hear it from us. We regret this. We did not plan to delay the talks by 1 more day. [end recording]

Guillermo Endara also commented on his conversation with U.S. President George Bush yesterday:

[Begin Endara recording] As far as I recall, he said nothing about the plesbiscite. I briefed him on that. I believe that he was aware of it. He must have reports on it. He did not specifically say that, but I had the impression that he was aware of the plesbiscite.

As for General Noriega, I also brought up that issue. I explained to him that our first and main demand is Gen Noriega's departure and, second, but not least, recognition of the 7 May elections. [end recording]

ADOC, U.S. Blamed for Student Uprisings

PA0808124989 Panama City CRITICA in Spanish 7 Aug 89 p 7

["Hard-Line" column by Alberto Barrera]

[Text] Once again the people have detected the fatherland's evil sons who, feeding their ambition for power, have appeared on the scene to promote student uprisings that harm the poor.

Those who finance these uprisings remain in their luxurious mansions awaiting the results of a fratricidal confrontation and hope for a violent outcome.

They want a dead body to use as a banner in their political struggles, but they make sure that the victim is never a member of their families. That is why the casualty lists never include the sons of a Guillermo Endara, Ricardo Arias Calderon, or a Guillermo Ford [former Civic Democratic Opposition Alliance, ADOC, presidential and vice presidential candidates, respectively], but the "useful fools" who listened to the opposition's siren songs or received money.

However, as the end of the current presidential term approaches, the ADOC is increasingly submissive to White House dictates.

The opposition has remained silent in response to the constant provocations of the U.S. Army South led by the paranoid Marc Cisneros.

The opposition has remained silent in response to the Panamanians who have been killed; they have not protested or expressed indignation over the explosive devices irresponsibly left by the gringo soldiers, or over the Torrijos-Carter treaties violations.

The opposition, however, supports the freezing of the Panamanian people's money by the Bush administration.

The opposition has virtually declared its neocolonialist attitudes with the ADOC leaders' constant trips to the United States to receive orders, money, and instructions to create chaos in the country.

Their public actions have been examined in courts of law because they have been accused of serving a foreign power to the detriment of our national security and territorial integrity.

Because of their political defeatism and unbridled ambition for power, these seditious pseudo-leaders who answer "Yes, sir" have lost all credibility and are rejected by the Panamanian people, who shout at them: The fatherland's betrayers will not succeed... For Panama, our lives.

Ministry Orders Classes Resumed

PA0908014089 Panama City Circuito RPC Television in Spanish 0102 GMT 9 Aug 89

[Education Ministry communique issued on 9 August—place not given]

[Text] The Education Ministry, after extensively consulting with the various sectors linked to education, hereby reports to parents, teachers, students, and the principals of public and private secondary schools of Panama City, Colon, and San Miguelito, that it has been decided to resume classes as of tomorrow, 9 August, in those schools where classes had been suspended.

Students, parents, teachers, principals, and other personnel are urged to act in a coordinated and cohesive fashion at this time when our nation is the victim of merciless aggression from the United States, so that there may be a normal school year and so that the schools may offer an effective and academically sound education.

We have asked school principals to promote adequate conditions for efficient, continuous, and on-schedule classes and to act based on the law and on the internal rules of each school in case there is any kind of disruption that could endanger the school year.

Columnist Suggests Miro for Government Junta

PA0908013289 Panama City LA REPUBLICA in Spanish 7 Aug 89 p 4

[From the Mario Augusto Rodriguez Column: "Carmen Miro, President"]

[Text] 1. Information

The news media have reported the imminent appointment of Dr Carmen Miro as a member of the United Nations' Committee on Population, an organization she could head with authority. Dr Miro has carried out fruitful, creative, organized, and guiding work in Panama—both at the Comptrollership General and as a university professor—and she has assumed posts in the highest international hierarchy. Her intelligence, preparation, and dedication to the research and analysis of vital social, economic, geographic, and natural issues in our country, the Latin American region, and the world make Dr Carmen Miro one of the most respected and prestigious figures at the national and international level. On this occasion, the UN would be simply recognizing the capabilities of one of the most notable Panamanians in our modern history.

2. Reflection

Reflecting upon the reasons and importance of this international recognition, I have considered Dr Carmen Miro's personality and how she would relate with the complex political situation that currently prevails in our country. Partisan political antagonisms have immersed us in a complex crisis that has even degenerated into foreign economic and political intervention. Normal procedures have been exhausted, but there is a possibility that the political parties and the Panama Defense Forces may reach an agreement and find the road to a normalcy-seeking reconciliation through a provisional multi-party government of unity and democratic participation. The problem lies in finding people who are capable of inspiring trust and deserving of the credibility and respect of all the parties in conflict; because each faction believes that it deserves the highest authority, meaning the Provisional Presidency of the Republic.

3. Candidate

I have repeatedly stated that, although not many, our country has educated and dignified citizens—men and women—who are capable of satisfactorily fulfilling the needs and facing the responsibilities of the grave moment we are currently experiencing. I think that the occasion is appropriate to specifically bring to your attention the integral, balanced, respected, and reliable personality of Dr Carmen Miro. I believe that a government junta in which she assumes the presidency would be in excellent shape for assuming the complex task of normalizing the country's life, settling antagonisms and disputes, and leading government actions to organize an authentically free and democratic electoral process without foreign pressure, aggression, and influence. I believe it is appropriate for partisan, business, labor, and other types of leaders to think about citizens like Dr Miro when considering possible solutions to the conflicts that make us feel so desperate.

4. The Scales Pointer

A multi-party provisional government of reconciliation might settle the same differences that now separate us. If that government had as a scales pointer, a person that is not only capable and dignified, but also respectable, reliable, and fully credible, then equity and justice would be guaranteed. There are other citizens who are equally qualified to assume such a position. We would have to include Dr Carmen Miro among them, because she not only responds to the national consensus, but has also earned the respect of the government and the international community.

Comparison of Panamanian Bishops Communique

PA0908021889

Panama City PANORAMA CATOLICO in Spanish in its 6 August 1989 edition publishes on pages 1 and 2 the "text" of the communique issued by the Panamanian Bishops Conference in Panama City on 3 August. The PANORAMA CATOLICO version has been compared with the Panama City Circuito RPC version published in the 7 August Latin America DAILY REPORT, pages 40-41, and was found to be identical, with the following exceptions:

page 40, column two, last paragraph, sentence one, reads...

[Text] I. Our Assessment of the Situation:

With exemplary civic spirit, the Panamanian people went to the polls en masse on 7 May and expressed, without any doubt, their wishes to navigate the country through democratic and peaceful channels. According to an "exit poll" carried out by church-affiliated laymen that was announced by the Panamanian Bishops Conference [CEP] on 8 May and was ratified by other observers of international organizations, the ADOC [Civic Democratic Opposition Alliance] won the elections by a three-to-one margin. Unfortunately, the Electoral Tribunal, using insufficient legal arguments, annulled the elections, thus suffocating the deep desire of our people for a change of government as expressed at the polls.

It is necessary to bear in mind the above if we want to find a true solution to the crisis. The international community and, above all, the Latin American peoples and governments, have indicated that they are aware of what has happened, and they have expressed their solidarity with the people of Panama. However, we are shocked and surprised to see the ambiguous and changing stands of the international organizations that negate their proclamations for sovereignty, self-determination, and democracy. We have seen how—after having issued the first resolution on the Panamanian crisis and after the tripartite dialogue began—the OAS issued a new mandate to the foreign ministers' mission on 19 July that seems to disavow the will of the people.

At the present moment, just 1 month before the constitutional term of the current government structure expires, dialogue efforts have not led to any specific solution. While some insist on the annulment of the elections, others demand the rights acquired through the will of the people, and it all seems a useless debate between legality and legitimacy. Meanwhile, the economy is crumbling, society is disintegrating, and the country is losing credibility.

It is clear that in the midst of this polemic there is a struggle for political power that is controlled today by the Panama Defense Forces [FDP]. We must stress that the people are the sovereign owners of this power, and the people have the right to decide on their own destiny. We must also bear in mind that political power is not a goal in itself, but a means of serving the people. The people entrust power to some—the duly elected civilian authorities—to enable the government to function for them with justice and freedom. The people entrust others—the legitimate military authorities—to protect the lives, honor, and property of all, and to defend the country against aggression.

In order to understand fully the Panamanian... (supplying omitted passage)

page 41, column one, penultimate paragraph, second sentence, reads...to confront, the CEP pointed out: "We still have...(inserting quotation marks)

same paragraph, from penultimate sentence, reads:...the defenseless ones." (CEP Declaration of 21 September 1979)

III. An Urgent Call:...(supplying closing quotation marks and parentheses)

same page, column two, third paragraph, first sentence, reads:...of our America: [new paragraph]

"Show your maternal...(supplying opening quotation marks)

same paragraph, from sentence two, reads:...justice and love." [new paragraph]

"Perfect love banishes fear," writes Saint John the apostle (1: John 4, 18). [new paragraph]

With love for Panama...(supplying quotation marks)

same column, third paragraph, last sentence, reads:...3 August 1989 [new paragraph]
[signed] Jose Dimas Cedeno D., Bishop of Santiago, CEP president
Marcos G. McGrath, Archbishop of Panama
Daniel E. Nunez, Bishop of David, CEP vice president
Jose Luis Lacunza, Auxiliary Bishop of Panama, CEP secretary general
Jose Maria Carrizo V., Bishop of Chitre
Carlos Maria Ariz, Bishop of Colon
Carlos A. Lewis, Bishop of David
Jose Agustin Ganuza, Bishop of Bocas del Toro
Marcos Zuluoaga, Bishop Emeritus of Darien
Oscar Mario Brown, Auxiliary Bishop of Panama
Romulo Emiliani, Apostolic Vicar of Darien...(omitting sign-off line, listing communique signers)

Argentina

Menem Talks to Reporters at Government House

PY0808035589 Buenos Aires TELAM in Spanish 1908 GMT 7 Aug 89

[Text] Buenos Aires, 7 Aug (TELAM)—Asked if a presidential pardon could be instrumental in "rebuilding the fabric of society," President Carlos Menem has said: "Any measure designed to promote peace and reconciliation among all Argentines will be beneficial to our community." He conceded, however, that "no decree can solve" internal problems of the Armed Forces.

Menem admitted that the inflation rate for August will reach two digits. He noted, however, that the September inflation rate will "probably" drop to one digit and the inflation rate for 1990 will reach "15 percent annually" if the laws on administrative reform and economic emergency "are approved without amendments by Congress."

Menem held an unscheduled meeting with journalists at the press room of Government House.

He told the journalists that "the inflation peak has been overcome," but he noted that "this does not mean that the situation is completely under control."

Commenting on the financial, economic, and social situation, Menem said: "We have not yet achieved our objectives. We will not achieve them in the next few months. It will take quite a significant period of time for us to be able to talk about total stability."

Menem claimed, however, that "we have achieved some stability." He added: "We still need to reduce interest rates, which are quite high."

Menem described as "significant" the decline in interest rates and noted that "as time goes by and as soon as the draft laws submitted to Congress are approved, things will go better."

Asked about the urgent need for approval of the draft laws submitted to Congress, Menem said: "The draft law on adminstrative emergency will be approved this week, but the one on economic emergency will take a few more days." He added: "I am expecting the approval of the law on administrative emergency so that I can promulgate it."

After stating that "Italy and many other countries are interested in bailing Argentina out of this situation," Menem touched on the subject of foreign debt by saying that "talks with our creditors are under way."

In reply to a question, Menem flatly denied that there are disagreements between Defense Minister Italo Luder and Defense Secretary Humberto Romero, and he asked the journalists why they were always "harping on a nonexistent problem."

Asked about a report that a final solution to the Army's internal problems will be announced on 15-17 August, Menem said: "These problems cannot be solved with an announcement. We cannot issue a decree declaring that effective today all these problems are solved." Addressing the journalists who asked the question, Menem said: "No. Just take it as a rumor. That is all."

Regarding the military subject, and asked if a presidential pardon could be instrumental in rebuilding the fabric of society, Menem said: "I believe that any measure designed to promote peace and reconciliation among Argentines will be beneficial to our community."

Menem stated that relations between the government and the General Confederation of Labor "are normal; there are no problmes at all." He noted, however, that "there have always been problems within the labor movement, internal problems of the workers in which I do not want to interfere."

Asked about remarks by Public Works and Services Minister Jose Dromi that Channels 11 and 13 could be shut down, Menem said: "Emphasize the word possibly." He added that the subject "is under study and that it is following the same procedure established for the privatization of all government-owned media organizations."

Regarding the possibility of starting direct diplomatic contacts with Great Britain, Menem said: "We will have to discuss a decolonization process with Great Britain." He noted that it was Great Britain that voluntarily included the subject of decolonization in the United Nations in 1946 and then it ratified it in 1965.

Menem finally told the journalists that he will periodically visit the press room to brief them directly. Jokingly, Menem said: "I do not want you to have to track me down to ask me questions on subjects of interest to Argentina and the world."

Polish Socialist Leader Pinior Arrives

PY0808120689 Buenos Aires DYN in Spanish 1924 GMT 7 Aug 89

[Text] Buenos Aires, 7 Aug (DYN)—Jose Pinior, leader of the Polish Socialist Party-Democratic Revolution (PPS-RD), arrived in Buenos Aires from Paris today. He will deliver a speech on 12 August in the Luna Park stadium entitled: "For Democratic Socialism Around the World."

An Argentine leader of the Movement Toward Socialism (MAS) indicated that the PPS-RD is the most important of the leftist parties in opposition to the regime of General Jaruzelski and that Pinior is one of the national leaders who secretly reorganized Solidarity. He was imprisoned for 5 years because of his activities.

Pinior came from Paris after attending several functions related to the 200th anniversary of the French Revolution.

MAS will organize a gathering in the Luna Park stadium at 1600 on 13 August under the slogan "For Democratic Socialism Around the World," and the main speakers will be Pinior and newly elected National Deputy Luiz Zamora.

Channels To Operate During Privatization Process

PY0908022589 Buenos Aires TELAM in Spanish 2226 GMT 8 Aug 89

[Excerpt] Buenos Aires, 8 Aug (TELAM)—The government promised today "not to close" television Channels 11 and 13 for 60 days. It also reached an agreement with the unions of that sector for paying the personnel of the two television stations during the 60 days in which the bidding process for the privatization will take place.

This decision was established in an act signed by President Carlos Menem, Public Works and Services Minister Jose Dromi, Press and Broadcasting Secretary Jorge Rachid, and Legal and Technical Secretary Raul Granillo Ocampo with the unions of that sector. The act also established that the unions and the government supervisors will have a "shared administration" over the two television stations.

Rachid, who has been in charge of most of the Government House negotiations with the television workers since early this morning, announced that "the two television channels will not be closed in accordance with the shared responsibility established in the act." Rachid also explained that "the embargo on the television channels has been lifted. This will allow the television stations' accounts to operate freely, as is necessary for commercials."

The act was signed after intense negotiations between the union sectors and officials of the Press and Broadcasting Secretariat and the Public Works and Services Ministry. President Menem's participation was necessary, and he met with the representatives of the unions just before noon. [passage omitted]

Commission Reports on Nuclear Plant's Flaws

PY0808163089 Buenos Aires CLARIN in Spanish 6 Aug 89 p 19

[Text] The Public Works and Service Ministry and the Energy Secretariat have received a report prepared by experts who were commissioned to determine what is happening at the Atucha I nuclear plant, the reasons for the delay in its repairs, and its future operation, which is indispensable for the national energy system to operate normally.

According to the report, the difficulties affecting the nuclear plant after 14 years in operation are unprecedented, even in countries where nuclear technology is advanced. One of those countries (FRG) has submitted a plan to repair Atucha I. At the negotiation table with Argentine experts, however, the German specialists contended that those repairs cannot be made.

The official report indicates precision tools for the repair job had to be designed. Those tools must be capable of being operated from a distance of 11 meters through a hole 12 cm in diameter. The tools were specially manufactured, and some of them proved unsatisfactory. The tools have to be redesigned, and the repair job has therefore been delayed. The personnel to operate the manipulator—a robot—must be trained. Many technicians operate the robot well during trials, but are discouraged by the obstacles to working with it inside the reactor.

There were other nontechnical problems at Atucha I. Great Britain could have provided help in 4 to 5 months, but suspended relations stood in the way of getting that help. Furthermore, the head of the prior government had to be convinced that, to import necessary elements, the "buy Argentine product" restriction had to be lifted.

There were obstacles in clearing imported items through customs and unexpected difficulties in opening the letters of credit. The official report that has recently been submitted mentions a case some time ago: A foreign manufacturer of a part needed to repair Atucha I had offered to make delivery in 8 weeks at a certain price, adding that the delivery time could be shortened with a 10-percent price increase. Nothing could be done because of the indecision of the Executive Branch, the Economy Ministry, and the Central Bank in opening the letter of credit in the last stages of the Alfonsin government.

According to experts, design is the shortcoming of Atucha I. Its manufacturers, however, cannot by held responsible for that, because the plant has been in operation for 15 years, and at the time it was built there was not the expertise nor the technical problems that now exist.

The first signs of flaws in Atucha I appeared in 1985, but they were not obvious then. Only now, in retrospect, are those sign properly understood. For example, the temperature of the heavy water in the moderator varies a few degrees. The Energy Secretary visited the Atucha I plant for the first time last week, to hear opinions from the CNEA [National Commission for Atomic Energy] experts. No one had visited the plant before, when the problems began to develop.

All the repair deadlines are tentative. In the opinion of experts, only part of the Atucha I plant can be back in operation by late September.

Sentence for Former Montoneros Leader Confirmed

PY0808031189 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2158 GMT 8 Aug 89

[Excerpt] Buenos Aires, 8 Aug (NA)—The Supreme Court by unanimous decision today confirmed the sentence of life imprisonment imposed by the Federal Court of San Martin on Mario Firmenich, former chief of the Montoneros, for double homicide, kidnapping, and extortion in the case of brothers Juan and Jorge Born.

The Federal Court of San Martin sentenced Firmenich to life imprisonment for the murder of Alberto Bosch, manager of the Rio de la Plata Mill, and his guard Juan Carlos Perez. This crime took place during the kidnapping of the Born brothers in September 1974.

The life sentence was reduced to 30 years in prison through an agreement with Brazil that granted Firmenich's extradition. [passage omitted]

July Cost of Living Rate Up 196.6 Percent

PY0808004889 Buenos Aires BUENOS AIRES HERALD in English 8 Aug 89 p 1

[Excerpt] (NA-DYN)—The cost of living rose by an all-time record of 196.6 percent last month, the National Institute for Statistics and Censuses (INDEC) officially announced yesterday. [passage omitted]

Bolivia

Paz Zamora Delivers Inaugural Address

PY0808111889 Asuncion Domestic Service in Spanish 2126 GMT 6 Aug 89

[Inaugural address by President Jaime Paz Zamora after taking oath of office at the Congress in La Paz—live relay from La Paz Radio Illimani Network]

[Excerpts] I want to extend my fraternal greetings to all my countrymen, who, from all corners of our sacred national territory, have made possible this democratic moment through their participation and who, for that reason, will continue to be the fundamental basis of our democratic system. I want to greet former President Victor Paz Estenssoro, Vice President Luis Ossio Sanjines, and former Vice President Julio Carlos Ayllon. [passage omitted]

I also want to greet the presidents of the brotherly countries who are visiting us—personal friends and friends of Bolivia. [Passage omitted]

Likewise, I greet with special affection the state ministers of friendly countries, the delegations, and the invited guests. I respectfully greet the honorable senators and deputies of the Republic; the apostolic nuncio; the ambassadors from brotherly countries; the hierarchy of our church; the generals, admirals, and chiefs of our Armed Forces; the chiefs of our National Police; national and departmental authorities; and the presidential candidates who ran in the 7 May election for their democratic presence here. [applause]

My dear countrymen and countrywomen, Bolivian brothers and sisters: In addressing to you my first words as constitutional president of the Republic, I pray to God to bless the term of office I begin today by the sovereign will of the Bolivians, expressed through their democratic institutions. I thank you for the confidence you have placed in me, and I accept it with serenity and humility, because today more than ever I have the conviction that to govern is to serve, to lead the community through service to it, watching over the interests of all citizens who are marching toward a higher destiny. We share the company of the presidents of six brotherly countries this afternoon, that of representatives of other Latin American governments, and that of very dear personal and political friends. To them I express the love of all my people, whose national identity is inseparable from the identity of Latin America. The unprecedented presence of these dignataries in Bolivia is above all an expression of support for the democracy for which we Bolivians have strenuously struggled. It is also a message to the people of Bolivar and Sucre, who today would have most joyfully celebrated with us.

At the end of the 20th century in Bolivia, all the factors of power are in a process of reorganization: the leaderships; the ideas; the logic, means, and instruments of political action. We are witnessing the beginning of a new political cycle, which closes the one that began with the Chaco War. New avenues are opening that will lead Bolivia into the next century. At the same time, the world as a whole is living the revolution of democracy, whose values are prevailing in contemporary societies and displacing authoritarianism. Bolivia is not alien to this process since it is going through a transition in the economic, social, and political order. The latest electoral process must be placed in that context if we are to understand the complexity of its results.

We must clearly interpret the profound significance of the popular vote cast in that election. The lack of a clear majority at the ballot boxes imposes on the contenders an implicit mandate for unity, concerted action, and agreement. Such unity is the only possible road on which to advance. Nobody can dictate a solution by himself; answers must be sought jointly, so that we preserve the continuity of the democratic process. Convinced of this reality, we noted a few days after 7 May that all Bolivians had the joint responsibility to guarantee that Bolivia had a president and a constitutional government on 6 August. With a wholesome national pride in being a Bolivian today, I want to affirm that we have discharged that joint responsibility.

Henceforth, the pledged word becomes an inseparable component of the new style of doing politics in our country. [applause] This is the logical source of the government of national unity that emerges from the inexhaustible creativity of the Bolivian people to confront their crisis, to move on with their transition, and to express faithfully the spirit of their vote. To this end, we seriously assume the task of maintaining a dialogue with all the political forces, with Congress, and with the main national institutions, among which the Catholic Church is preeminent. The patriotic agreement between the MIR-New Majority [Movement of the Revolutionary Left—New Majority] and the participative coalition of the ADN [Nationalist Democratic Action] and the PDC [Christian Democratic Party] creates a political instrument legitimated by the backing of a majority and by the representative force of regional and sectorial political groups of our society. That patriotic agreement is thus backed by nearly two-thirds of the nation's congressional vote in the presidential and vice presidential election. It rests on the support of three out of the five political forces represented in Congress. Two of those forces received the most votes in the 7 May election.

Overall, this congressional vote represents far more than 50 percent of the valid popular votes and the broadest social spectrum—including peasants, workers, miners, popular sectors, the middle class, and businessmen. The congressional vote also represents the various regions of the country and proudly represents the electoral victory in six of the nine departments of the nation. [applause]

Unity in diversity has been effectively attained. Beyond these considerations, I must say that the pragmatic agreement strongly projects itself into the international arena, since our organizations are constituent parts of the two largest political communities in the world: the World Union of Christian Democrats and the International Democratic Association. Dear countrymen, this has a particular significance for a country like ours, which greatly needs international links and cooperation.

Perhaps the most important contribution to the country was the decision of General Hugo Banzer Suarez [applause] to relinquish his presidential aspiration, not only in favor of myself, but also for the benefit of the fatherland and all Bolivians. His decision will be recorded in history. This decision, more than his past actions, raises him to the position of one of the main architects of democratic continuity in our country. [applause] The new democratic and political culture is also reflected in the civic gesture of my companero and friend Gustavo Fernandez Saavedra [applause], who yielded the vice presidency to the Christian Democratic leader Luis Ossio Sanjines [applause] in order to make possible the understanding Bolivia required.

The dynamics of this process, it seemed to me, made it necessary to invite the participative convergence led by Gen Banzer, to join our movement in forming the solid foundation upon which to build a government of national unity. It will thus share the overall responsibility for the administration of the state, participating in a full and balanced manner, in the daily operation of the government in accordance with the Constitution and laws. In a dialogue conducted with a new political style, the principles of loyalty, understanding, and good faith were respected at all times. Today begins a new historical cycle where arrogance, deals, and pressure as instruments of party actions are eliminated. [applause] The new MIR-New Majority and the participative convergence have agreed that the government of national unity must direct its efforts to the following priority objectives: to consolidate the Bolivian democratic process and to improve the electoral system; to preserve the monetary and financial stability of the country; to reinitiate the process of economic development; to construct a new Bolivian society centered on the social policy; to modernize and decentralize the state to allow popular participation; to fight drug trafficking; to preserve the sovereignty, well-being, and development of our people, as well as the nation's values; and to fight political and administrative corruption in our society.

Thus a long process of political maturity will have been completed, a process that has in the past been punctuated by confrontations. Today, we are trying to put behind the undemocratic cycle of our history and its psychological drawbacks. Undoubtedly, democracy will be consolidated through the agreement that underpins my government of national unity. That agreement does not imply relinquishment of the participants' doctrines and programs. We must recognize that beyond any political confrontation, present-day Bolivia seeks solutions to its problems. The urgency of current problems is such that no one can but agree on the need to solve them. [passage omitted]

With the same renewed thinking and spirit, the MIR-New Majority in 1985 supported a democratic solution by electing Dr Victor Paz Estenssoro, and thereafter by forming for the first time in our history a nonconspiratorial opposition. I expect that those who today rightfully intend to stand in the opposition, will follow that precedent and do so constructively and democratically. [applause] True opposition does not hinder the government's actions, but helps to make better government. [passage omitted]

Together the government and the opposition can build the nation in democracy and consolidate democracy to build the nation. Our movement has evolved through much sacrifice, through a long and sustained struggle; its profound conviction is to serve the Bolivian people in the new historical period that begins now. Its transcending prospects are not focused on the short term of government. So today, as president of all Bolivians, I have recommended the companero and friend of mine, with whom I share ideals, Oscar Eid Franco, to take over the leadership of our movement. [applause] [passage omitted]

Government models are not an end in themselves, they are merely instruments with which to address the economic and social demands of a community. The viability of a given model depends to a great extent on the timeliness of the economic policies. These policies are particularly critical in a country like ours that has been gradually pushed to the outermost point, continuously threatened with being left out of the mainstream, made more and more vulnerable to external forces, and stifled by an unjust geographical isolation that has been imposed by the brutal logics of weapons. In the new international labor division that came about with the advent of know-how and technology, countries whose societies stand on the precarious foundations of backwardness and poverty and whose future depends on their raw materials, hardly have room to exist because they can afford to buy less all the time and their cheap labor has a dminishing competitive value. This backwardness has accumulated over centuries. It has large social, regional, sectorial imbalances and it keeps the nation in an unbearable state of poverty.

An oversized state is based on this structure. It does not discharge its basic duties, yet it assumes other responsibilities and it stimulates the most incredible forms of corruption and bureaucracy.

This situation can only be changed through an unwavering national decision to systematically modernize the Bolivian society and economy.

This change should undoubtedly be based on a clearly disciplined fiscal and monetary policy that would preclude hasty, irresponsible actions. It should not be overlooked that this is a long-term task that will require sacrifice and effort from many people, awareness and actions from everyone, and the support of national institutions including the Armed Forces, the church, unions, and businesses.

When discussing these issues, it is only right to emphasize—at this solemn hour—the important contribution that Dr Paz Estenssoro has made to the country's economic and political stability. [applause]

At the same time, it would not be right to ignore that this stability, which was achieved through a huge social sacrifice, will only be meaningful if it is reflected by economic growth and social development. This will be our task. This is the origin of the three main challenges to the economic activity of this government of national unity and convergence.

The first challenge involves making stability a permanent feature—and stagnation a temporary one.

In order to meet this challenge, it will be necessary to strictly respect the economic principles of fiscal discipline and free supply and demand in the goods and services market and in the (?stockexchange) market.

I will repeat now the guidelines that I explained in a political forum sponsored by the Confederation of Private Businessmen during my recent political campaign.

I said that my government would guarantee a realistic and sensitive single exchange rate, that the [Central Bank] foreign exchange office [Bolsin] would continue to refrain from charging a foreign exchange surcharge, that there would be no foreign exchange controls, that the lending interest rates and the interest rates on bank deposits would be determined by the market, that monetary austerity would create the necessary conditions to reduce the current interest rates, that the foreign currency deposits in the entire national financial system—involving a system able to attract foreign capital—would be guaranteed, that the free foreign currency convertibility would be guaranteed, that the prices would be regulated by the supply and demand system, that all the necessary provisions to protect consumers would be implemented, and that the ties with the international financial system would be strengthened, preserving the sovereignty and interests of Bolivia in its negotiations with international organizations.

Companeros, I have given my word and I will comply with it. [applause] [passage omitted]

This decision to overcome originated in the interior of Bolivia, in our fatherland's provinces, in the nation of the most poor, whom I am addressing today. This is where our votes orignated and I am returning to them our political loyalty. [applause]

If our efforts are not oriented toward modernization, if our country fails to regain its standing within the international community, if we keep our attention focused only on domestic topics, if we fail to see what is beyond our borders, our country will risk of running against strong currents because it will be erroneously interpreting the need of integration required by the world economy as the basis for a truly healthy development process.

We must grow outwardly, increase our competitiveness, and create conditions for encouraging larger foreign investment. We must adequately and selective combine our fiscal and credit policies, and we must seek to regain adequate levels on the metals market.

Regarding hydrocarbons, we have to undertake two basic tasks: to renegotiate our contract with Argentina beyond 1992 and to implement and improve our agreements with Brazil.

To undertake these tasks we will have to modernize the state and promote political and administrative decentralization. Our national program will not work if we do not have a true democracy which should not be formally representative but essentially participatory and, above all, decentralized. We must reduce the state to make the nation grow; we must strengthen our nation to rebuild the country. [applause]

The widespread crisis has not spared the Bolivian departments and provinces. The conflict between the government and the regions has in fact worsened our economy, political, and territorial disintegration.

We will concentrate our efforts to solving this problem. To this end, we will soon submit to Congress the first draft law on departmental governments, so that this law may be enacted before the next session of Congress. [applause]

Like all previous Bolivian governments, our government will assign priority in its foreign policy to recovering a sea outlet for Bolivia; that is a sovereign, operational port on the Pacific Ocean. [applause] The diplomatic action of the national unity and convergence government will follow this course. [passage omitted]

During the presidential campaign I repeatedly said that I will govern this country to help all Bolivians. [applause] But I also said that my government will particularly help the poor sectors of society, that I will help the have nots who are strangers in their own land. [applause]

During this solemn congressional session I would like to reaffirm this commitment before the honorable representatives of the Bolivian people.

We believe that poverty is not merely to lack assets. We believe that poverty is an unjust social situation that does not allow all Bolivians to have access to the wealth of our national production. Thus, poverty will not be defeated merely by implementing technical economic stability and development.

This idea presupposes a close interaction between serious and effective administrative measures and a deep commitment to a changing national situation. It presupposes the awareness of the need to serve the people conscientiously.

National nutritional levels are too low and the child mortality rate is too high for me to sit idly by in the presidential chair. Therefore, we will make mothers and children the priority target of this administration's social policy. I am certain that all Bolivians will work together to support this goal. [applause] [passage omitted]

I must also state I am particularly concerned over those who, after having dedicated their whole lives to their work, are now compelled to live in misery. I am referring to the elderly, the retirees, the veterans, and the pensioners. I am referring to those who have dedicated their efforts and dreams to Bolivia but who at the end of their lives are living in neglect and idleness. We support them. This concern will be demonstrated through the implementation of social policies which will seek to improve their situation.

Moreover, we will also make an important effort to help Bolivian women, who are the symbol of sacrifice and devotion. How can we modernize our society if women's rights continue to be overlooked? How can we speak of democracy when women receive lower salaries than men who hold the same job? We will give priority to improving the role of Bolivian women, and we will promote their integration in society so that they may become an important element in the Bolivian development process. [applause] [passage omitted]

Now I want to issue a message of hope to Bolivian youth. I am the father of two young children who are here today. They have shown me the way to our future. We expect the youth to do their utmost to improve our country because they are the largest group in our society. Because Bolivia is young the future is ours. [applause]

I call on the youth to forge their future with work and discipline, to deliver their best efforts to overcome our present obstacles. Then we will be sure our fatherland will have a future of greatness.

We do not want to talk only about circumstancial injustices. I also want to talk about the judicial branch. This is an area where Bolivians feel totally unprotected unless they are part of the powerful elite. Every time a humble person seeks justice, he runs up against a wall of incomprehension. Far from feeling protected he feels like the victim of a new injustice.

The state must protect the poorest and most defenseless. The state must defend those who are trampled by the powerful. We pointed this out in our electoral campaign. We called it the behavioral revolution.

The new Bolivia will succeed if men and women change their behavior toward society and their fellow men. Old Bolivia is made up of people who behave arrogantly and who do not care, people who follow the events without caring about our possibilities and our efforts for the common good.

I take advantage of this opportunity to stress that without work we cannot have development, and without commitment we will not participate in forging a new country in democracy. [passage omitted] A new Bolivia, and men renewed by the behavioral revolution, this is my proposal, fellow countrymen: a new Bolivia—one renewed by the behavioral revolution. We hope and strive for this from this seat of honor that the Bolivian people have so generously granted me. [applause] [passage omitted]

Our country's internal inequities can be overcome. We must trust ourselves. No one who has seen the eastern plains, the valleys, and the Andean heights, could have imagined the beauty and the huge potential contained in the unified assembly of these natural regions of our country.

The ethnic, cultural, economic, social, and regional differences that coexist in Bolivia should not be a factor of conflict or detrimental to Bolivia's development and welfare. In fact, these differences contain a huge potential for mutual support to achieve our goal of stability and progress for everyone. [passage omitted]

No matter how large the obstacles, we are optimistic. We trust that we will turn Bolivia into the fatherland we have all dreamed about. These ideas are contained in the national project that represents a basic proposal for Bolivia. This national project is the result of a sustained effort to understand the main problems. It draws basic conclusions and proposes solutions. The national project (?views) the country as a whole and not as isolated pieces of territory.

Therefore, the government of national unity and convergence does not merely represent an effort to unite various political forces but it also represents a working proposal for the unity of the entire nation in order to consolidate what unites Bolivians, reflecting the fraternity that has been hit so hard by the lack of credibility. [applause] [passage omitted]

Armed Forces Confirm Paz Zamora as Leader

PY0808134689 Madrid EFE in Spanish 2100 GMT 7 Aug 89

[Text] La Paz, 7 Aug (EFE)—The Armed Forces today confirmed Jaime Paz Zamora as their captain general, in keeping with the Bolivian Constitution.

On commemorating today the 164th anniversary of the Bolivian Armed Forces, the president said that it is necessary to renew the struggle for liberation and "to turn this sacred territory into an independent nation."

"In my capacity as captain general, I should point out that even though our Armed Forces were not created in a regular manner, we are now proud that they respect the Constitution and that their doctrine is part of the national doctrine," the Bolivian president said.

Paz Zamora said that when the Bolivian Armed Forces were created, its members were armed with sticks, knives, and old arms that they had obtained during the struggle for freedom and for the decolonization of the nation.

"Our country was a colony subject to foreign interests, and those first patriots realized that if they did not resort to arms, they would be unable to turn this sacred territory into an independent nation, a nation that could work for its own progress and not for others," Paz Zamora added.

The president said that today Bolivia has glorious Armed Forces, "which, with their daily effort and devotion, have built sound foundations in our country."

"We should recall the words of one of Bolivia's great guerrillas who struggled against colonization and who said that the cause of Latin American freedom is spread everywhere, and we will be fools if we let the Spanish enemy kill us."

"The Bolivian Armed Forces are now the foundation of Bolivian independence, and with the love that they feel for their people and with the love that the people feel for them, they will be able to struggle against any intervention that threatens our dignity," he added.

"We should make an effort to discover our roots and to recall the dreams with which we were born and the devotion that we have inherited, so that we will always love our flag and our Bolivia," he stressed.

"I promise to discharge the duties of captain general according to the Constitution and the law," Paz Zamora added.

Cuban Ambassador Condemns U.S. 'Smear Campaign'

PY0808222089 La Paz PRESENCIA in Spanish 1 Aug 89 p 6

[Excerpt] Condemning the smear campaign against his country, Cuban Ambassador to Bolivia Angel Brugues has strongly rejected the accusations made in Washington by Florentino Aspillaga, a former Cuban Government official, describing him as a "traitor to the fatherland, a deserter, and an immoral person."

Claiming that Aspillaga was involved with the "groups of criminals who were recently discovered in the Cuban Interior Ministry," Brugues said that "one cannot believe in this kind of individual." Brugues thus answered the remarks made by Aspillaga, who said that, in 1976, Cuban Prime Minister [title as published] Fidel Castro ordered the killing of Bolivian General Joaquin Zenteno Anaya.

In a statement released yesterday afternoon, the Cuban ambassador regretted that the United States is providing shelter for this kind of person and using them as "parrots to smear the Cuban Revolution."

The news agency PRENSA LATINA addressed this issue in a journalistic dispatch. It reports that Ambassador Brugues had pointed out that "the U.S. philosophers and theoreticians who tried to throw socialism into the garbage can of history have launched a new attack against Cuba."

The Cuban ambassador added: "They intend to bring international discredit upon Cuba and poison Cuba's relationship with the fraternal Bolivian nation, a relationship marked by friendship and mutual respect. To this effect, they again resort to using hypocrits like the deserter in question."

Brugues added: "On principle, Cuba has not resorted, and will not resort, to terrorist methods like those used by the United States against Cuban leaders, as stated in the records of the U.S. Congress."

He added: "We reiterate to Gen Zenteno Anaya's widow and children, and to the Bolivian military men who, complying with their mission, confronted "Che" [Guevara], that Cuba does not harbor any rancour or hatred. Cuba has never acted, and will never act, motivated by base revengeful feelings."

In conclusion, Ambassador Brugues expressed his conviction that the Bolivian-Cuban ties will not be affected by this smear campaign. [passage omitted]

Government Signs Cooperation Accord With Algeria
PY0808212789 La Paz EL DIARIO in Spanish
4 Aug 89 p 5

[Excerpt] Yesterday Bolivia and Algeria signed an agreement for the creation of a mixed commission to promote economic, commercial, scientific, technical, and cultural cooperation in an act held in the Foreign Ministry.

Bolivia was represented by Foreign Minister Valentin Abecia, and Algeria by its Ambassador Rachid Haddad.

Abecia said that the mixed commission will promote cooperation, especially trade and projects of mutual interest such as energy and agro-industry.

The date for the first meeting of the Bolivian-Algerian Mixed Commission has yet to be established but it is believed that the first meeting will be held late this year. [passage omitted]

IDB Grants Credit to Mining Corporation
PY0808212189 La Paz EL DIARIO in Spanish
1 Aug 89 p 6

[Excerpt] Gonzalo Barrientos, general manager of the Bolivian Mining Corporation, has confirmed that the IDB [Inter-American Development Bank] has granted $10 million to his organization for the enlargement of the mineral treating plants of San Jose and Unificada.

Barrientos made this announcement to the media upon returning from Washington after meeting with the company's executive board.

He said that his activities in the IDB headquarters were successful after he briefed IDB officials on the various projects to help mining production in the San Jose district in Oruro, and in the Unificada district in Potosi. [passage omitted]

Latin American Presidents on River Transportation
PY0808143489 Asuncion PATRIA in Spanish
7 Aug 89 p 11

[By special correspondent Ezequiel Colman LLano]

[Text] La Paz, Bolivia—The immediate implementation of a river transportation project for the benefit of the River Plate Basin countries was the main issue discussed in minisummit yesterday afternoon by several Latin American presidents at the residence of the Brazilian ambassador here.

The meeting, sponsored by the Brazilian president, was attended by Presidents General Andres Rodriguez of Paraguay, Carlos Saul Menem of Argentina, Jose Sarney of Brazil, Alan Garcia of Peru, Julio Maria Sanguinetti of Uruguay, and Jaime Paz Zamora of Bolivia.

As a first step the presidents decided to recommend to the Institute for the Integration of Latin America (INTAL) the creation of an international legal entity to carry out the project to improve navigation on the Paraguay and Parana Rivers and to improve the ports on those rivers.

The second step was to create a multinational organization made up of the five countries of the region to exploit the rivers.

Based on those objectives the signatory countries will request the necessary financing for the project from the IDB.

IDB President Enrique Iglesias publicly expressed support for the project and discussed it with the presidents involved.

It is well known that the navigation conditions on the Paraguay and Parana Rivers—especially the Paraguay River—are not the best when the water levels are low.

This is why dredging and opening passes are necessary in some places. Port conditions must also be improved on the Parana River, on both the Argentine and Uruguayan sides.

The project is undoubtedly important because according to estimates, the two rivers can carry from 16 to 20 million tons of products a year through an important region of central Brazil, Paraguay, Bolivia, and northern Argentina. This region of the southern cone is a great producer of grains and minerals, and the improvement of water transportation will benefit those two industries.

So far most of the products from that zone are taken to maritime ports by land transportation, and its cost is much higher than water transportation. This is why the products from that region are less competitive in the international markets.

It is possible that a public statement on this issue will be released by the presidents soon. A statement to give impulse to the project is being prepared.

Late this month the transportation ministers of Brazil, Argentina, Paraguay, Bolivia, Chile, and Uruguay will meet in Santiago, Chile. INTAL experts and IDB President Enrique Iglesias will also attend. This meeting will take the first steps toward the technical implementation of the project, because the political decision has already been made.

Paz Zamora on Fight Against Drugs

PY0808210189 La Paz EL DIARIO in Spanish
3 Aug 89 p 1

[Excerpts] The "Government of National Unity" of the MIR [Movement of the Revolutionary Left] and ADN [Nationalist Democratic Action] will guarantee the country's economic and financial stability without "traumatic" changes by seeking growth and development through employment, good salaries, health, education, and housing for the benefit of the poorest sectors.

This statement was made by Jaime Paz Zamora in a news conference yesterday a few hours after the ADN-PDC [Christian Democratic Party] alliance decided to support his candidacy to the Presidency. [passage omitted]

Talking to the national and foreign media, Paz Zamora said that he will very carefully take care of the foreign debt in an articulated and balanced manner, seeking to guarantee the ability to pay the debt and to ensure the credibility of the Bolivian Government in the international field.

The balance will be achieved by paying the debt that Bolivia has "abroad," and also by paying the "internal" debt by satisfying its own needs.

He said: "From a technical point of view we will try to fulfill our commitments abroad but we will also guarantee a permanent positive balance between the money that leaves and the money that comes into the country in order to guarantee stability and growth."

Jaime Paz Zamora also said that for the time being Bolivia does not need U.S. military aid to fight drug trafficking because the police and the Armed Forces have enough strength to fulfill their constitutional responsibilities.

He added that this task will be carried out with energy and with awareness of Bolivia's responsibility to the international community to fight drug trafficking.

He said: "We will work with conviction based on the mobilization, understanding, and participation of the Bolivian people to prevent the struggle from becoming a unilateral act of repression." He added that this is the only way to achieve success.

He indicated that the Government of National Unity believes in an all-out struggle against trafficking in cooperation with the international community as long as the struggle does not make our country poorer.

He said: "I would especially like to make a call to the peasants. I am sure together we can conduct an all-out struggle against trafficking. They should also be aware that they have a government definitely committed to their well-being, development, and progress." [passage omitted]

Antidrug Figures Since 1985

PY0808220489 La Paz PRESENCIA in Spanish
1 Aug 89 p 7

[Excerpt] Social Defense Secretary Armando Urioste reported yesterday that the specialized antidrug organizations have confiscated 31 tons of drugs, have arrested 2,545 people, and have destroyed 4,200 factories since President Paz Estenssoro's inauguration in 1985.

In a report on the results of the antidrug struggle undertaken by the Paz Estenssoro Administration, Urioste said that there have been positive results since 1985 despite inadequate economic and technical resources.

Urioste added that 29.2 tons of cocaine were burned and 6,624 maceration pits, which would have produced large amounts of drugs, were destroyed during the Paz Estenssoro administration. [passage omitted]

Government Creates Export, Tourism Council

PY0808221589 La Paz PRESENCIA in Spanish
1 Aug 89 p 1

[Text] The government has created, through a decree approved last week and published yesterday, the Council for Promoting Exports, Investments, and Tourism [Consejo Promotor de Exportaciones, Inversiones, y Turismo] under the acronym PROBOL.

The new organization was created under decree 22268. It will coordinate and propose to the government the guidelines for investments, exports, and tourism.

PROBOL will guide the actions of the new organizations created by the same decree. They are: the National Institute for Promoting Investments [Instituto Nacional de Promocion de Inversiones, IMPROIN] replacing the National Institute of Investment (INI) and the National Institute for Promoting Tourism [Instituto Nacional de Promotion del Turismo, INPROTUR], which replaces

the Bolivian Tourism Institute (IBT). The government also approved changes in the structure and function of the Export Promotion Institute (INPEX).

PROBOL, INPROIN, INPROTUR, and INPEX will establish representations abroad in coordination with the Foreign Ministry.

PROBOL will have a board of directors with a government majority. It will be headed by the Industry, Commerce, and Tourism minister and made up of the ministers of Planning, Finance, Campesino Affairs, and Mining, and by three representatives of the Private Business Confederation.

Brazil

Argentina To Cooperate in Materiel Production

PY0808191189 Sao Paulo FOLHA DE SAO PAULO in Portuguese 5 Aug 89 p A-10

[By Cristina Veiga]

[Text] The Argentine Government is interested in manufacturing war materiel with Brazil. This is one of the proposals made by the Argentine delegation that has been visiting Rio and Brasilia during the last few days, preparing the trip that President Carlos Menem will make to Brazil beginning on 22 August.

The head of the Argentine delegation, Ambassador Raul Carignano, said in an exclusive interview with FOLHA DE SAO PAULO that this was one of the proposals made to the Brazilian diplomats during a meeting on 3 August. Carignano, who has been installed as the Argentine secretary for Latin American affairs, believes the two countries have great opportunities to develop in the field of materiel production and to share the materiel sales to third countries.

The Argentine Government is also interested in cooperation in two other areas: space and aviation. Cooperation in the field of aviation is more advanced, and there is already bilateral trade in this field.

President Carlos Menem's visit was slated for 22 and 23 August but it has been agreed that he will extend his visit by a day in order to visit the Embraer [Brazilian Aeronautics Company] installations in Sao Jose dos Campos.

Carignano said: "It must be made very clear that integration between Brazil and Argentina is not limited to trade; it is above all political. I am convinced that Latin America's hopes for the future lie in integration. The fact that President Menem's first official visit abroad [as published, Menem visited Bolivia on 6 August for Paz Zamora's inauguration] will be made to Brazil, clearly proves the point." This visit will show that the Peronist Administration is not interested in modifying the integration process that has already begun between the two countries.

Despite all this, the Argentine Government has been having problems with Brazil. An example of these problems is the Brazilian surplus in the trade balance with Argentina. This year's surplus amounts to a record $463.1 million. To reduce this imbalance, the Argentines now want to export to Brazil $150 million worth of capital goods.

Finance Minister Guarantees Interest Payments

PY0808183089 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 8 Aug 89

[Text] At a meeting with Citibank President John Reed, Finance Minister Mailson da Nobrega assured him that Brazil will not suspend interest payments on its foreign debt.

As he guaranteed that there will be no moratorium, Finance Minister Mailson da Nobrega made clear to John Reed that Brazil's position is to protect its foreign reserves. According to the minister, Reed agreed with that position, which ensures the country's internal tranquillity and prevents foreign reserves from falling to a critical level through an indiscriminate outflow of dollars.

Minister Nobrega ruled out any possible confrontation between Brazil and its creditors and reasserted that Brazilian economic stability is in the creditor banks' interest. The minister also said that the expectations of the Citibank president have been reversed. When he arrived, he thought that the Brazilian economy was out of control, but he will return to the United States with the conviction that the measures adopted by the government are on the right track.

EMBRAER To Build First Jet Engine Plane

PY0808033189 Madrid EFE in Spanish 2034 GMT 8 Aug 89

[Text] Brasilia, 8 Aug (EFE)—The Brazilian Aeronautics Company (EMBRAER) today announced it has begun construction of the EMB-145, its first commercial jet engine plane. EMBRAER will begin sales of the 45-passenger plane in 1992.

The plane will be propelled by two turbine engines on its wings, which will provide 2,990 kg of thrust and will allow it to fly at 740 km per hour.

After the EMB-145 becomes operational, EMBRAER will have a complete line of planes for regional services that will include the Brasilia, with 135 units operating in Europe, the United States, and Brazil; and the CBA-123, which is being built in a joint venture with Argentina.

Chile

Pinochet Views Prospects for Transition

PM0808134889 Madrid ABC in Spanish 30 Jul 89 pp 28-29

[Interview with President Pinochet by Francisco de Andres in Santiago; date not given]

[Excerpt] [Passage omitted] [De Andres] Mr President, do you believe that your country has finally dispelled the circumstances which produced the 1983 military coup and that the transition will be peaceful, whatever the outcome of the elections at the end of the year?

[Pinochet] Look, if we bear in mind that 11 September 1973 our country was on the brink of political, economic, and social chaos, it can be said that the Armed Forces have fulfilled the pledge to restore the foundations of national coexistence which they made to Chilean people on that historic date. On that basis, the institutions envisaged in the 1980 Constitution have been adjusted to current conditions and have incorporated the lessons of the painful experience undergone by Chile between 1970 and 1973, marking out the path for a peaceful transition to democracy.

Thoroughly Settled

[De Andres] Nevertheless, do you believe that everything will be thoroughly settled when you quit the Presidency?

[Pinochet] In this connection my government has adopted all the necessary measures, including the step of reforming the Constitution, with the aim of improving its provisions even more and thus securely safeguarding the Chilean people's future.

However, I do believe that the normal course of the process could be gravely disrupted if the coalition of parties opposed to my government continues to triumph, since it is demagogically encouraging a set of social demands which it will undoubtedly be unable to meet, despite the excellent situation in which Chile will find itself at the time of the transfer of power. If that happens, there will be the traditional mass eruptions which world history shows in its pages when a community's needs are not met because of its leaders' irresponsibility, especially if the instigating activity of communism, whose followers still persist with the archaic method of violence for political struggle, is present in it.

Communist Party

[De Andres] However, one of the reforms subject to this plebiscite is the repeal of an article banning Marxist organizations. Has your thinking about legalizing the Communist Party changed?

[Pinochet] Not at all. You cited only part of that constitutional amendment. It is true that Article 8 is to be repealed, but it is to be replaced by another provision which within the right to association guarantees political pluralism while nevertheless declaring unconstitutional movements which promote totalitarianism or violence.

You may note that the Constitution's original philosophy has been maintained and that we will continue to protect our democracy from those who seek its destruction. This is precisely the case with the Communist Party, which has repeatedly shown its unconstitutional and undemocratic conduct. I confine myself to abiding by what the Constitution stipulates in this connection.

In Command of Army

[De Andres] Are you prepared to change your decision to remain in command of the Army after completing your term, if the next head of state asks you to do so?

[Pinochet] You see, that decision in no way depends on the wishes or aspirations of whomever leads the country from 11 March 1990 onward. Exercising the power to remain commander in chief after that date depends solely and exclusively on the opinion of the institution to which I am proud to belong. Moreover, my decision to remain commander in chief of the Army is based on what the Constitution itself, approved by an overwhelming majority in 1980, stipulates.

[De Andres] Does that decision have any connection with a desire for the the next government to respect the Armed Forces and not put them on trial for presumed abuses committed during these years?

[Pinochet] In the first place, I would like to point out to you that the Constitution stipulates that the Armed Forces exist for the defense of the fatherland and should therefore be respected by every authority and individual. This does not mean leaving the way open to abuse and arbitrary action. I have always maintained that there are law courts in Chile which operate with proper independence and which are alone required to judge the situations to which you refer—insofar, of course, as they are irrefutably proved.

Progovernment Candidate

[De Andres] What qualities do you see in Hernan Buchi as the very best candidate for the Presidency?

[Pinochet] First of all, I would like to explain to you that the government has left everything connected with the presidential and parliamentary candidacies in the political parties' hands. In that context and in the case of Hernan Buchi, I have repeatedly stated that I was able to discern his excellent human and professional qualities in

the course of his work at the Finance Ministry. Without going into details, I can tell you that Mr Buchi's greatest virtue is his loyalty to the system of values espoused by the Chilean people.

[De Andres] You have criticized over the past few days the discord in the Right caused by personal attacks and bickering. However, some leaders of that sector attribute to you the difficulty in finding a leader capable of uniting all forces because of your dominant personality. What is your opinion?

[Pinochet] I believe that for some people it is easier to look for other people's responsibilities than to acknowledge the result of their own mistakes. You must bear in mind that in 1973 there developed in Chile a kind of weariness with traditional political activity, which had demonstrated its inability to halt the collapse of the democratic system. Many politicians refused to accept that fact and remained attached to past models, and this undoubtedly did not facilitate the emergence of natural leaders.

Victory For Opposition

[De Andres] If Patricio Aylwin's opposition slate wins in the next elections, do you foresee any kind of difficulty for the transition? On what will it depend?

[Pinochet] The greatest difficulty—make no mistake about it—will be the fact that the political forces supporting Patricio Aylwin's candidacy are totally divergent. They are united solely by the short-term aim of winning next December's elections, but there is no ideological affinity between them. This will inevitably manifest itself when the time comes to formulate a government program.

Moreover, Chile has already had an unfortunate historical experience with the Christian Democratic Party, whose naivety and well-known weakness left the door open for the accession to power of an overtly Marxist government which is destructive for individuality. For that reason, do not be surprised if in the event that Aylwin attains the Presidency of the Republic he is rapidly neutralized by the left-wing forces, which have repeatedly proclaimed their intention of wiping out the misnamed Popular Unity project.

Image Abroad

[De Andres] Your government has not exactly enjoyed a good image abroad and, in particular, in West Europe. To what do you attribute this?

[Pinochet] I have already said this on many occasions: Chile has been the victim of an unprecedented campaign of disinformation, mounted and implemented by international Marxism, which cannot forgive our country for having recovered its dignity and its freedom. That campaign has had huge funds which were, to a large extent, used to finance visits abroad by various opposition leaders in order to disseminate a distorted picture of the situation based on hatred and resentment.

Aylwin Officially Registers for Elections

PY0808192089 Santiago Radio Chilena Network in Spanish 1700 GMT 8 Aug 89

[Excerpts] Former Christian Democratic Party (PDC) Senator Patricio Aylwin this morning officially registered as a presidential candidate at the Electoral Service offices. To comply with the legal requirements, PDC Chairman Andres Saldivar presented Aylwin's request for registration. Saldivar said, however, that all opposition parties, as well as the PDC, support Aylwin. [passage omitted]

Andres Saldivar read the document declaring that Patricio Aylwin is an official candidate, and then the two signed the document.

In a short message, Aylwin said that this act was another step toward the reestablishment of democracy in the country. [passage omitted]

Aylwin then said that the next step is to grant democracy a clear victory in the 14 December elections and thus ensure that the next administration is solid.

Aylwin also said he hopes the electoral campaign will be clean, without offenses or attempts to discredit anyone. [passage omitted]

After the ceremony in the Electoral Service office, Aylwin appeared on the balcony to greet the hundreds of people who had gathered at Peralta Street, in Santiago, to support him. Aylwin then walked some 10 blocks to the headquarters of the Coalition of Parties for Democracy, near the Diego Portales Building. His supporters marched behind him to the headquarters.

Right-Wing Parties Appoint Candidates

PY0708140689 Madrid EFE in Spanish 0754 GMT 7 Aug 89

[Excerpts] Santiago, 7 Aug (EFE)—The Chilean right was clearly split last night, when the 371 delegates of the largest political party of the right—the National Renewal Party (PARENA)—unanimously decided to support the presidential candidacy of PARENA's leader former Interior Minister Sergio Onofre Jarpa.

When the PARENA general council opened, on the night of 5 August, Jarpa said he would not accept the nomination. The pressure of all the national delegates last night, however, forced him to accept the nomination. [passage omitted]

On 5 August, the progovernment Independent Democratic Union (UDI), which has more links witht he military regime than PARENA, appointed former Finance Minister Hernan Buchi as its presidential candidate. Buchi registered as an independent candidate 2 weeks ago.

Although it had been believed that PARENA would support Buchi's candidacy, Jarpa was unanimously appointed PARENA's candidate. [passage omitted]

Radical Democracy (DR), a small group that broke with the Radical Party in 1970 and that is now a member of the rightist sector, has announced that Julio Duran, a former senator and former presidential candidate in the 1964 elections, will be its presidential candidate in the upcoming elections.

DR Chairman Jaime Tormo said his party will "not support Buchi or Jarpa. I have been given the responsibility of appointing Julio Duran as the DR presidential candidate, and I will comply with this responsibility." [passage omitted]

The right will also present two slates of congressional candidates for the 14 December elections. One slate contains candidates supported by PARENA and UDI; the other slate contains candidates of the DR, the National Party, the National Vanguard, the Party of the South, and three independent groups that have a small number of members registered. [passage omitted]

Jarpa Accepts Presidential Nomination
PY0708145889 Santiago Domestic Service in Spanish 1030 GMT 7 Aug 89

[Excerpts] Sergio Onofre Jarpa has accepted his appointment as presidential candidate, which was proposed by the National Renewal's general council. He conditioned his acceptance, however, on three factors: that his party's government program be non-negotiable; that the party and its leaders be ready to take power in 4 years [as heard]; and that he be given absolute freedom to make his final decision in the next few days.

[Begin Jarpa recording] Our party is fundamentally at the service of Chile and not at the service of any group or of personal ambitions. I, therefore, ask you to trust your party. I accept the responsibility you bestowed upon me this morning [applause]. Since you have chosen me to be your presidential candidate, I also ask you to trust me and to understand that I will adopt the best solution for Chile and the best solution for the party. [end recording] [passage omitted]

Rightist Leader Jarpa Meets With Buchi
PY0708193189 Santiago Television Nacional de Chile Network in Spanish 1800 GMT 7 Aug 89

[Text] Hernan Buchi and National Renewal leader Sergio Onofre Jarpa met this morning. They agreed on the need to sponsor a single presidential candidate. Jarpa, who reported on the meeting, noted that they agreed on several points of their programs. He added that they must see whether they share common views on how to solve health, education, and environmental issues.

Jarpa stressed that he and Buchi agree on major issues and said that they did not talk about their presidential candidacies. We talked like two Chileans who want the best for their country, he said, adding that he did not ask Buchi for support and that, for that matter, he will not ask any other party or movement to support him. Jarpa stressed that if no accord is reached with Buchi over his program of government, the National Renewal will not support his presidential candidacy. Jarpa noted that the candidacy must be decided on by 10 August because the deadline for registration with the electoral service expires on 11 August.

PPD, PAIS To Present Deputy Candidates
PY0708151089 Santiago Domestic Service in Spanish 1030 GMT 7 Aug 89

[Text] Party for Democracy (PPD) secretary Jorge Schaulsohn has announced that he PPD and the Broad Party of the Socialist Left (PAIS) have united to launch the electoral campaign of candidates for deputy from Santiago.

The PPD pointed out that the campaign will give special emphasis to solutions to the air pollution and health problems. Schaulsohn also confirmed that he will run in the elections as a candidate for deputy of the PPD of downtown Santiago, just like his father, Jacobo Schaulsohn, who was a deputy for 23 years.

Peasant Youth Leader Arrested in Talca
PY0808024889 Santiago Radio Cooperativa Network in Spanish 2300 GMT 7 Aug 89

[Report by Hernan Pena from Talca Radio Nueva Campanario]

[Excerpts] The Peasant Worker-Youth Organization, JOC, has issued a communique on the arrest last weekend in Talca of JOC national leader Nibaldo Reyes.

The communique states that Reyes voluntarily reported to the Abate Molina detention center in response to a Carabineros summons served on 1 August. The summons asked Reyes to report to the center to sign some papers. Unfortunately, this was not true because the summons was actually an arrest warrant on charges of illegal possession of arms and explosives.

Last Friday morning Reyes, who had been in custody in a Carabineros precinct, was brought before the military prosecutor and ultimately taken to the public jail where he has been held incommunicado since 4 August. [passage omitted]

The communique adds: We demand that Reyes' incommunicado status be lifted and that explanations be given about the charges against him. We demand the immediate release of our brother Nibaldo. We demand clear answers, true justice, and respect for human rights. [passage omitted]

Colombia

CNG: Dialogue Should Include All Armed Groups

PA0808151389 Madrid EFE in Spanish 0529 GMT 8 Aug 89

[Text] Bogota, 7 Aug (EFE)—The Simon Bolivar National Coordinating Board [CNG] asked today that the dialogue the government has announced that it will hold with two of the six armed organizations operating in the country be held "with all" [armed groups].

The CNG also requested an "open agenda" for all of these talks and praised the "government's recent willingness to hold talks."

In its request for a "dialogue with all," the CNG, through a declaration issued "from the Colombian mountains" and broadcast on the media, states: "We have named a high-level commission and expect the government to do the same."

In its declaration, the CNG "reiterates its desire to find a political solution to the armed conflict" in Colombia. "We are pleased about the path that is being opened toward constitutional reforms through the referendum and the plebiscite," the document adds.

However, the communique also maintains that "in view of the various approaches suggested, we reaffirm our belief that only a national constituent assembly with broad popular participation will ensure that the changes demanded by the majorities will be made."

In addition to the national constituent assembly, "there should also be true economic and social reforms as well as the effective exercise of national sovereignty."

The declaration condemns "the dirty war, which, in the past few days, has resulted in the assassinations of judges, left-wing political leaders, labor union leaders, and peasants, and in the attempted murder of presidential candidates."

The document is signed by Jacobo Arenas, ideologue and leader of the Revolutionary Armed Forces of Colombia, and by Javier Robles from the pro-Maoist Popular Liberation Army. It was announced last week that these groups will join the dialogue with the government.

Gilfardo Fernandez from the pro-Indian Quintin Lame Front and Valentin Gonzalez from the Revolutionary Workers Party also signed the document.

The 19 April Movement—which, since January, has been negotiating with the government for its reincorporation into civilian life—and the pro-Castro Army of National Liberation—which has always refused to hold a dialogue—are also members of the CNG.

Guerrillas Die in Clash With Army in Betulia

PA0808230089 Bogota Inravision Television Cadena 1 in Spanish 0116 GMT 8 Aug 89

[Text] Three Popular Liberation Army [EPL] guerrillas, including a woman, died during a clash with 4th Army Brigade troops in Betulia, Antioquia Department.

Army Commander General Jesus Armando Arias has reported that in fleeing, the guerrillas left behind arms, ammunition, and communications equipment.

Paraguay

Republic of China Deputy Foreign Minister Visits

PY0808184689 Asuncion PATRIA in Spanish 8 Aug 89 p 13

[Names of Chinese officials as published]

[Text] Nationalist China Deputy Foreign Minister Shu Chi King arrived in our country yesterday, leading a delegation of that country's diplomats accredited in Latin America. They will meet at the Yacht and Golf Club in Asuncion.

The dignitary was received at the International Airport by national officials and Chinese diplomatic officials led by Ambassador Captain General Wang Sheng.

During his stay in our country, the Chinese deputy foreign minister will meet President General Andres Rodriguez at 0800 in the Government Palace tomorrow. At 1000 he will meet Foreign Minister Luis Maria Argana, who will present him the Great Extraordinary Cross of the National Merit. The Chinese deputy foreign minister will also chair the meeting of the Chinese diplomats accredited in Latin America, to review their activities.

Court Orders Arrest of Retired General

PY0808230589 Asuncion ULTIMA HORA in Spanish 8 Aug 89 p 50

[Excerpt] A judge has ordered the arrests of Brigadier General Roberto Knopfelmacher and his sister Liliana Knopfelmacher. He will be sent to the Tacumbu prison and she to the Casa del Buen Pastor women's prison.

Criminal Judge Eladio Duarte Carvallo this morning ordered a pretrial inquest and the arrest of General Knopfelmacher and his sister. They are charged with commiting serious economic crimes through ACEPAR S.A. (Paraguayan Steel, Inc), which is located in Villa Hayes.

The pretrial inquest also affects Colonel Vicente Olmedo, Eng Francisco Oliva da Fonseca, Dr Reinaldo or Nildo Olivera Rojas, Abelardo Brugada Saldivar, and Daniel Moreno, who were former ACEPAR board members and trustees.

No arrest warrant has been issued against these people but they should appear before the criminal court to be questioned. [passage omitted]

Peru

Minister Explains Tax; Rules Out Price Controls

PY0808172689 Lima Television Peruana in Spanish 1300 GMT 8 Aug 89

[Excerpts] Economy Minister Cesar Vasquez Bazan has confirmed that the new tax on demand deposits will not affect savings accounts. He added that this measure was necessary to avoid a so-called economic package.

After appealing to businessmen to reach an agreement on prices, the finance minister gave a news conference and announced that the government will not control the prices of staples. [passage omitted] Minister Vasquez said that the government hopes to collect $30 million per month with the new tax on demand deposits.

[Begin Vasquez recording] The tax on the demand deposits has several positive aspects which I will describe. First, the tax makes the creation of an income tax unnecessary; the possibility of creating an income tax has been totally ruled out.

We had considered the possibility of creating an income tax based on 40 percent of the tax unit. We dropped this possibility because the tax on demand deposits allows us to increase our tax revenues considerably. This tax, therefore, makes other taxes unnecessary.

Second, the tax on demand deposits is very small, only 1 percent.

Third, we are mainly taxing high-income sectors. I want you to understand that this tax mainly affects the resources concentrated in Lima, since 77 percent of the demand deposits are in Lima banks. This tax, therefore, mainly affects sectors concentrated in Lima and thus contributes to our national regionalization effort.

Fifth [as heard], this new tax will expand our tax base, and it will be hard to avoid. Why will the tax base increase? It will increase because there are currently many companies that do not give invoices to their clients. We expect to overcome this problem, however, in 3 months with the tax reform we are planning.

It is currently possible to avoid paying taxes by not handing out invoices. The same companies that are not paying taxes, however, must pay their suppliers with a check. So through this new tax we will be able to collect taxes from sectors that were not paying taxes. [end recording] [passage omitted]

After ruling out controls or a freeze on the price of staples, Minister Vasquez Bazan said that the recent 11.8-percent fuel price increase was moderate and cannot be called outrageous. He said that the fuel price increase will go to Petroperu [State Petroleum Agency] and not to the National Treasury.

[Begin Vazquez recording] The fuel price increase will go completely to Petroperu. Not 1 cent will go to the National Treasury. It is true that Petroperu's president has said that this increase does not solve the company's problems, but I talked to him and told him to seek more imaginative measures. [passage omitted] [end recording] [passage omitted]

Three Terrorists Die in Clash With Police

PY0808171489 Madrid EFE in Spanish 0500 GMT 8 Aug 89

[Text] Lima, 7 Aug (EFE)—Interior Ministry sources today reported in Lima that three alleged members of the Tupac Amaru Revolutionary Movement (MRTA) have died in a clash with the National Police (PN).

The guerrillas were traveling in a stolen vehicle on 6 August, when they were detected by a PN patrol in Chiclayo Province. The patrol ordered them to stop, but the guerrillas fled. The police patrol began a chase and caught the guerrillas 15 km from Chiclayo on the road to Chongoyape.

A clash ensued and Juan Zurita, Cesar Orbegozo, and Ernesto Benavides were killed. The Interior Ministry bulletin reports that the policemen seized two submachineguns, a revolver, and an MRTA flag from the guerrillas.

The pro-Guevara MRTA started its armed fight in 1984, when it riddled the U.S. Embassy with bullets.

The MRTA has also attacked the Chinese, Soviet, Spanish, and Argentine Embassies.

In January, the police arrested MRTA's main leader, Victor Polay Campos. At least 100 MRTA members have been killed by the police this year.

Political violence in Peru, which was unleashed by the Maoist Shining Path in 1980, has been responsible for more than 15,000 people and caused losses totaling some $12 billion—some 60 percent of the total Peruvian foreign debt.

Uruguay

Brady Plan Fails 'To Meet Expectations'

PY0808165689 Montevideo EL DIA in Spanish 3 Aug 89 p 6

[Editorial: "The Debt Remains Unchanged, and So Does the Loan"]

[Text] The implementation of the first stage of the Brady plan for reducing the debt owed by Third World countries has unfortunately failed to meet expectations. The accord that Mexico has reached with the creditor banks apparently includes a number of mechanisms that will once again prevent the actual reduction of the debt owed by each country.

The fact that the real value of a debt, on the market, is different from its nominal value will apparently not be recognized, and the banks will continue to register very large amounts of assets and, worst of all, will continue to charge interest on those amounts.

The international foreign debt strategy, which this time was very firmly supported by the U.S. Government, will fail unless major banks continue to grant loans to the countries with high indebtedness. This is a consequence of the accord with Mexico, which, rather than seeking to reduce the debt, has outlined alternatives that will apparently be preferred by the creditors.

Only if heavily indebted countries continue to receive loans, therefore—or if interest is refinanced through new loans—will those countries be able to meet their debt obligations.

Consequently, everything seems to indicate that the U.S. position has not been strong enough to convince bankers to reduce the debt. The emphasis of the strategy has shifted toward preventing the growth of interest, which is not the solution that Third World countries actually need.

The next country to benefit from the Brady initiative seems to be the Philippines. This country, which has little chance of reaching an accord to reduce the debt, has already begun searching for $1.7 billion in new loans to meet its debt obligations.

Venezuela, which is another heavily indebted country working hard under the Brady plan, has firmly proposed the reduction of the nominal value of its debt by 50 percent.

The proposal was flatly rejected by the bankers who, in a short note said that the proposal is "unilateral and retroactive." The note urged Venezuelans to think it over and to update their payments on overdue interest, which amount to many hundreds of millions of dollars.

The creditors are in total agreement with the terms of the accord with Mexico. Every effort is being made to avoid reducing the debt, while other alternatives are preferred. We believe that a valuable initiative has been distorted, and that the possibility of beginning to solve the debt crisis is fading.

The Venezuelans are rightfully disillusioned. Their proposal was based on market conditions, in line with the actual requirements of their economic situation. It sought to solve their financial problem. Their proposal, however, was strongly resisted, and everything seems to indicate that it has little chance of being accepted. Venezuela will apparently have to do what Mexico has done, and its nominal debt will not be substantially reduced. Interest rates may drop, but the problem will continue and so will the misinterpretation of the situation.

Economy Minister Returns From Washington

PY0908005189 Montevideo Radio Carve in Spanish 0000 GMT 9 Aug 89

[Excerpt] The objectives outlined by the government's economic team concerning the foreign debt negotiations have been accomplished.

This announcement was made by Economy Minister Ricardo Zerbino at the Congress building an hour after returning from Washington where he held a number of meetings with the international creditor banks.

Zerbino said that, after overcoming some obstacles, the so-called formalization of the negotiations is now being prepared.

Zerbino said that he returned satisfied because the proposals made by the negotiating mission were well received. [passage omitted]

Government Reports Inflation Rate for Jul

PY0908003489 Montevideo LA HORA in Spanish 5 Aug 89 p 2

[Summary] The government has reported that the inflation rate for July 1989 was 5.86 percent, and that the inflation rate for the last 12 months reached 79.16 percent. The inflation rate from January to July 1989 is up to 46.16 percent.

Venezuela

Perez Meets With Panamanian Opposition Leaders

PA0808140989 Hamburg DPA in Spanish 2122 GMT 6 Aug 89

[Text] Caracas, 6 Aug (DPA)—Two members of the Panamanian opposition, Ricardo Arias Calderon and Guillermo Ford, met today in Caracas with Venezuelan President Carlos Andres Perez and presented their proposal for a 20 August plebiscite on General Manuel

Antonio Noriega's [commander in chief of the Panama Defense Forces] remaining in power and on finding a constitutional solution to the current political crisis.

In the first stopover of a tour through several Latin American countries, the first and second Panamanian vice presidents elected at the 7 May elections who represent the Civic Democratic Opposition Alliance (ADOC) delivered a report to Venezuelan President Perez on the efforts made by the OAS delegation in Panama.

After the annulment of the 7 May elections by the Panamanian Government, a special OAS foreign ministers meeting decided to send a delegation of observers to Panama to seek a solution to the critical situation in Panama.

After their meeting with Perez at the Miraflores Presidential Palace, Arias Calderon said that there was a stalemate in his country regarding finding a solution to the Panamanian situation.

Arias Calderon said that while Gen Manuel Antonio Noriega's regime proposes the formation of an unconstitutional provisional government, "we are basing our proposal on the need to respect the people's will as expressed on 7 May." Arias Calderon emphasized the need to respect the Panamanian Constitution.

Arias Calderon—accompanied by ADOC second vice presidential candidate Guillermo Ford and ADOC presidential candidate Guillermo Endara—said that there was an "urgent need" to remove Gen Noriega from power.

Arias Calderon added that during the plebiscite planned for 20 August, the Panamanian people will have the chance to choose whether to support the government's or the opposition's position. He said that holding the plebiscite would constitute a success for the OAS delegation.

After their visit to Caracas, the two Panamanian opposition representatives will travel to Bogota, where they will meet with Colombian President Virgilio Barco. After that, the Panamanian leaders will meet with Peruvian President Alan Garcia, Ecuadoran President Rodrigo Borja, Argentine President Carlos Menem, and Uruguayan President Julio Maria Sanguinetti.

Another proposal to solve the Panamanian crisis is the formation of a tripartite government to rule for a period of 10 months. That tripartite goverment would be composed of one ADOC member, one progovernment National Liberation Coalition (COLINA) member, and one representative of the current administration.

President on Regional Summit, Bolivian Elections

PA0808172489 Caracas Venezolana de Television Canal 8 in Spanish 1628 GMT 8 Aug 89

[Statement by President Carlos Andres Perez at a farewell ceremony for the departing Argentine ambassador to Venezuela; date and place not given—recorded]

[Text] The new government that has taken power in Bolivia fully confirms the fact that democracy has definitely been consolidated in that country, because this is the third time that the government has been transferred to a democratically elected president. Moreover, the election of any one of the candidates would have made us very happy. We have a solid friendship with Paz Zamora, to whom I send my best wishes for a successful presidential term.

The meeting in Tela, Honduras, as I expected, was a complete success. Democracy in Central America will become reality. My desire and hope is that the February elections in Nicaragua will definitely open the path toward a pluralistic government in that long-suffering Central American nation. I am satisfied with the meeting's results. I hope that preparations for the elections in Nicaragua will continue, and that the opposition will be satisfied.

Suriname

Assembly Chairman Comments on Kourou Accord

FL0808135998 Paramaribo International Service in English 1730 GMT 7 Aug 89

[Text] Assembly Chairman Jaggernath Lachmon has last Friday [4 August] said that the Kourou Accord is the optimum which could be achieved under the correct circumstances.

Lachmon discussed the accord during a public meeting of the National Assembly. The accord was signed some 2 weeks ago between the government delegation and the Brunswijk Gang.

The opposition parties PALU [Progressive Workers' and Farm Laborers' Union] and Pendawa Lima and the government coalition had during the meeting supported the accord. The National Democratic Party faction in the National Assembly has denounced the accord.

Lachmon stated, among others, that the plan by the military authority for the disbanding of the gang will be studied thoroughly. After the disbanding of the gang, members will have to surrender their arms, said the assembly chairman.

The assembly meeting on the Kourou Accord will be continued today.

Bouterse on Success of Accord

FL0808151798 Paramaribo International Service in English 1730 GMT 7 Aug 89

[Text] The chairman of the military authority, Commander Desi Bouterse, has yesterday during a press conference said that President Ramsewak Shankar and Vice President Henck Arron themselves do not believe in the Kourou Accords.

According to the commander, President Shankar himself told him that he and the vice president don't believe in the success of the accords. The president has, however, stated through radio and television, that the accords form a good basis, per se.

Bouterse says that he can't cooperate with deceitfulness and cheating. The chairman of the military authority furthermore said that his remarks would be verified.

President Shankar refused to comment on the remarks made by the commander while Vice President Henk Arron wasn't available for comment.

Assembly Passes Agreement

FL0808202689 Paramaribo International Service in English 1730 GMT 8 Aug 89

[Text] The National Assembly has yesterday, through a motion, passed the Kourou Accord. It was passed with 44 votes in favor and 2 against. The motion gives the government a green light to implement the accord. The accord was signed on July 21st last between the government's delegation and a delegation from the Brunswijk Gang. The majority of assembly members are of the opinion that the accord gives hope and is a good prospect for peace and grants the government the go ahead with its implementation. The motion was supported by members of the government coalition.

The opposition National Democratic Party voted against the motion because it was of the opinion that the accord's present form would [word indistinct] for peace. The other opposition parties in the National Assembly voted in favor of the motion although they were critical of some points in the accord.

Shankar Says 'Step Toward Peace'

FL0808203089 Paramaribo International Service in English 1730 GMT 8 Aug 89

[Text] There is no reason to think that the president and the vice president have any doubts about the Kourou Accord. Those groups with which the accord has been discussed can affirm it. This was stated by President Ramsewak Shankar yesterday during the discussions on the accord in the National Assembly. The head of state made his statement in reaction to comments made by Army Commander Bouterse. Bouterse has said during a press conference that neither the president nor the vice president believed in the accord. According to Bouterse, the president himself showed (?some distrust). Shankar said yesterday in the National Assembly that the accord which was signed between a government delegation and the Brunswijk Gang is the first concrete step toward peace.

Shankar, Arron, Ajodhia Walk Out of Meeting

FL0808142498 Paramaribo International Service in English 1730 GMT 7 Aug 89

[Text] President Ramsewak Shankar, Vice President Henck Arron, and Justice Minister Jules Ajodhia have last Friday [4 August] left the assembly meeting in protest against remarks made by assembly member Frank Playfair.

Playfair had during his address, among others, said that the government is swindling and fooling the people. He also said that the vice president had lied when he said that Holland would transfer money to Suriname in relation to the development cooperation. In reaction to this, the three top government officials walked out of the House.

During the 8-hour meeting, discussions were held about the Kourou Accords.

Ministers To Accompany Shankar to Brazil

FL0808152998 Paramaribo International Service in English 1730 GMT 7 Aug 89

[Text] The official delegation which will accompany President Shankar on his official visit to Brazil will include about 20 persons. The delegation includes, among others, the ministers of foreign affairs; natural resources; education; and agriculture, animal husbandry, and fisheries [Edwin Sedoc, Pretaapnarian Radhakishun, Ronald Venetiaan, Saimin Redjosentono, respectively]. The four ministers will hold discussions with their Brazilian counterparts. Furthermore, some reporters and government officials will travel with the president.

President Shankar will pay a 4-day visit to Brazil starting on Wednesday coming. His visit is one in return for the visit paid to our country earlier this year by Brazilian President Jose Sarney.

Military Authority Calls for Talks With Rebels

FL0808133898 Paramaribo International Service in English 1730 GMT 7 Aug 89

[Text] The military authority has yesterday emphasized that the government should again hold discussions with the so-called Jungle Commando led by Ronnie Brunswijk. Army Commander Desi Bouterse, who is also the chairman of the Military Authority, said during a press conference that the government should make clear arrangements with the Brunswijk Gang before its disbanding. Bouterse has furthermore proposed that the

Suriname Government hold negotiations with the countries which supported the Brunswijk Gang to (?pressure) them to give political asylum to the terrorists who are against disbanding.

According to the commander, the accord will not work because it's not in accordance with the reality of Suriname. Bouterse said that he hopes that the proposals by the military authority will contribute to a correct decision making in this matter.

The Military Authority has earlier already presented the disbanding plan to the president.

Assembly Chairman Jaggernath Lachmon has, in relation to that plan, said that the government would examine it in order to eventually use much of it in the disbanding of the gang.

National Assembly Approves Government Agreement

FL0808135298 Bonaire Trans World Radio in English 1130 GMT 8 Aug 89

[Text] The National Assembly has approved a government sponsored agreement to end a 3-year-old civil war. The parliament voted 44 to 2 to adopt the pact, brushing aside a controversy between the Army and the government. The agreement will be implemented within the next few weeks when final wording is put together.

Former Surinamese military ruler Desi Bouterse had complained about a treaty provision integrating the rebels into the country's police force. The 3-year strife, which is seen as a personal feud between Mr Bouterse and rebel leader Ronny Brunswijk, cost hundreds of lives.

Belgium Cites Two Views on Providing Cooperation

FL0808154298 Paramaribo International Service in English 1730 GMT 7 Aug 89

[Text] The Belgium mission for development cooperation has stated that it is still not clear how the further cooperation between Belgium and Suriname will be continued.

In a press release, the mission stated that there are two opinions in relation to the development cooperation with Suriname. One of them states that Suriname must receive a preferential treatment and make Suriname into one of the most important concentrated countries of the Belgium development cooperation.

On the other hand, we are of the opinion that Suriname must first reorganize its financial situation to prove that it's worthy of the Belgium development cooperation and can use it beneficially.

The press statement was issued in relation to the first anniversary of the development cooperation with Suriname. Within the framework of this cooperation, a development program for the years 1990-1994 will shortly be discussed by the Dutch-Suriname-Belgium committee.